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Reagan Ignoring Warnings On U.S. Economic Recovery

By John M. Berry
and Juan Williams

WASHINGTON — President Ronald Reagan and his leading White House aides, encouraged by a burgeoning economic recovery, have turned deaf ears to warnings from some of the president's economic advisers that the recovery's prospects are not necessarily as rosy as they seem.

The advisers agree that everything is going well for the moment. Their concern is over what will happen late this year or in 1984 if the recovery continues at its current or a faster pace, and if, at the same time, little is done to reduce federal budget deficits and to slow double-digit growth of the money supply.

The combination of a fast recovery, big deficits and speedy money growth, the advisers caution, could leave Mr. Reagan with an election-year dilemma of accepting renewed inflation or taking steps that could choke off the recovery.

Reagan and his aides have rejected the arguments from the advisers, who include Treasury Secretary Donald T. Regan, David A. Stockman, director of the Office of Management and Budget, Martin S. Feldstein, chairman of the Council of Economic Advisers, and occasionally Secretary of State George P. Shultz.

"A strong, unbridled economic recovery is good from every standpoint," a senior White House official said. "It's good for America's position abroad and our foreign policy. It's good for poor people.

It's good for unemployed people. It's hard to identify who it isn't good for."

Comments by several Reagan aides make it clear that the president's approach to the 1984 election will be based on the economy's performance.

The economic advisers, however, have stressed to the White House that some precautionary actions now could make for smoother sailing in 1984.

Again, they have met a stone wall.

"Most of this economics business is psychological," a senior White House official said. "If we start turning tail inside the White House you can imagine what the Wall Street reaction will be. That can put the whole economy in a slump by itself."

Added another Reagan aide: "I don't see that much disagreement publicly on the issue. The economists are in retreat. I think there was more of an argument on the tax issue, but they lost that one and they are not coming back."

Part of the problem is the reality behind Mr. Reagan's words in his economic report in February.

Mr. Reagan said then that if the money supply is "allowed to expand too rapidly, an increase in inflation and a short-lived recovery will result." He added, "I expect that in 1983 the Federal Reserve will expand the money supply at a moderate rate consistent with both a sustained recovery and continued progress against inflation."

Certainly agreeing with those sentiments, Federal Reserve officials are expected this week to be-

gin tightening credit conditions to slow money growth, which has been running far above the 4- to 6-percent target range. Any steps in that direction likely would mean higher interest rates.

When reports were published about the pending Fed action, senior White House officials speaking for the president said there was no need for interest rates to rise. But both Mr. Reagan and Mr. Feldstein have said publicly that the Fed should slow down growth in the money supply to prevent a revival of inflation in the future.

The economic advisers apparently would be willing to see taxes increased as part of a compromise with Congress that would include some of the controls on domestic spending the administration wants.

When they began drafting a compromise and word of it leaked out, White House officials quickly denounced the idea.

Asked about that, a Reagan aide replied: "Are you asking me if there are people in this administration who want to raise taxes? The answer is yes. They are a distinct minority, and they are a minority that lacks one key member — the president."

Not all private economists agree that the Federal Reserve should tighten credit conditions now. "Tightening monetary policy at this time would be a mistake," said Jerry Jasnowski, chief economist of the National Association of Manufacturers, "because it risks undermining the recovery, aggravating the problem of unemployment, and worsening the international financial situation."



Gabriel Valdez, president of Chile's Christian Democrats, leaving court after his arrest.

Pinochet Jails 3 Opposition Leaders As Third National Protest Threatens

By Juan de Onis

International Herald Tribune

SANTIAGO — President Augusto Pinochet, confronted with the threat of a new protest Tuesday against his regime, has arrested three opposition leaders on charges of internal subversion.

A national judge Saturday jailed Gabriel Valdez, the president of the banned Christian Democratic Party; José de Gregorio, the party's secretary-general; and Jorge Lavandero, a former Christian Democratic senator who heads a multi-party opposition group. Charges against the three were prepared by Chile's central intelligence agency.

Mr. Valdez, who was foreign minister under the late President Eduardo Frei, and Mr. Lavandero held press conferences last week in which they called for a day of national nonviolent protest against the Pinochet government.

Two earlier protests, on May 1 and June 14, demonstrated widespread dissent and unemployment that has reached 25 percent of the labor force and an economic recession that has affected businesses and farms.

Five persons have been killed and thousands arrested in the protests thus far.

Following the protests, General Pinochet announced on national television that he would not allow a third day of protest.

The minister of the interior, General Enrique Montero, in a private meeting with the owners of the Chilean media, banned references to protests against the Pinochet government.

Only Radio Chilena, which belongs to the Roman Catholic archdiocese of Santiago, and Analisis, a fortnightly paper also linked to the church, have ignored the order. Major newspapers, such as El Mercurio, have not indicated to their readers that their reporting is censored.

"We don't violate the rules because we don't want to be closed down," said Genaro Ariagada, the general manager of Radio Cooperativa, which is owned by the Christian Democrats.

In Brazil, where a political movement for restoration of constitutional rights began in 1974, major newspapers were placed under censorship orders. They published blank spaces when censors refused to approve the material. The censorship soon stopped.

In Santiago, the opposition Christian Democratic leadership ordered the publication and citywide distribution of 700,000 leaflets calling for the protest on

Tuesday. Intelligence agents found the printing shop, confiscated the leaflets and arrested the three party officials.

Mr. Valdez was arrested as a suspect in the investigation of the leaflets. Mr. Lavandero was arrested for publicly promoting the protest movement.

Five members of the leftist labor front called the National Union Coordination, whose leader, Manuel Bustos, is in exile, also have been arrested. A number of labor leaders from the national union and from the Communist-led Rural Workers Confederation have been transferred to distant villages in southern Chile.

Since copper miners staged an unsuccessful strike last month for the release of Rodolfo Seguel, the president of the miners' union, and a so-called strike by Chile's 45,000 truck owners collapsed, the government has promised concessions to labor and business.

Mr. Montero received a delegation of copper workers and said the government would study a request that 850 workers who were fired without compensation after the strike be reinstated. Mr. Seguel remains in jail.

Mr. Montero also met with the

leader of the truck owners. The government's economic development agency said it might refinance credits for truck owners who are not making enough money to keep up payments and who risk losing their trucks.

The arrest order is being appealed, according to Patricia Aylwin, a former Christian Democratic Party president. Mr. Aylwin noted that Mr. Valdez, a former United Nations official, was well known among Western governments, including the United States, West Germany, Italy and France and the Vatican, and said the arrest "will be an international boomerang for the government."

But a presidential adviser has said that General Pinochet believes he must take a hard line against the opposition before the protests generate a military challenge to his rule.

Diplomatic and other sources say that General Pinochet, whose term runs until 1989, currently retains the loyalty of the army officer corps, over whom he is commander in chief. There is some criticism of his rule in the navy and air force. However, the sources say, without a major defection within the army, General Pinochet remains stronger than his critics.

Chadian Troops Said to Retake Strategic City

Compiled by Our Staff From Dispatches

NDJAMENA, Chad — Rebel forces of Goukouni Oueddei captured the key city of Abeche over the weekend, but they were driven out Sunday by troops of President Hissene Habré, according to an official communiqué.

Mr. Goukouni, a former president who was deposed by Mr. Habré in 1981, is fighting, reportedly with Libyan weapons, to return to power. The conflict between the two factions has raged since 1978 as part of a 20-year civil war in Chad.

Chad government forces have retaken the city of Abeche Sunday at noon, a government announcement on Chad radio said.

The announcement said, "Fighting continues north of Abeche on the road linking this city to Oum Chalouba," an important oasis crossroads that the rebels earlier said they had captured.

The Chad radio report said Mr. Habré's forces had "attacked the enemy positions in Abeche." The government forces thus claimed to have retaken a city that they had never admitted losing.

Observers said the announcement appeared to confirm that the Goukouni forces indeed had occupied at least a part of Abeche, which commands the road to the capital.

Government officials made no mention Saturday of any capture of Abeche, saying "fighting was continuing" in the region.

The officials said about 3,000 Libyan soldiers were aiding Mr. Goukouni's forces. Libya has denied any direct intervention. Diplomats have said they have found no evidence of Libyan troops, although it appeared clear that Libya had armed the rebels.

Any complete occupation of Abeche by Goukouni troops, the diplomats said, would give them control of half the country, and could again signal the beginning of the end for the Habré regime.

Abeche is an eastern town of 25,000 to 30,000 people of the Ouaddai, Mandoul and Dejo eth-

nic African groups, as well as 10,000 Arabs. The city, situated among heaps of rocks in a semi-desert area, is considered the Moslem religious center of Chad. From a military point of view, it commands a main road direct to Ndjamena, 435 miles (700 kilometers) away.

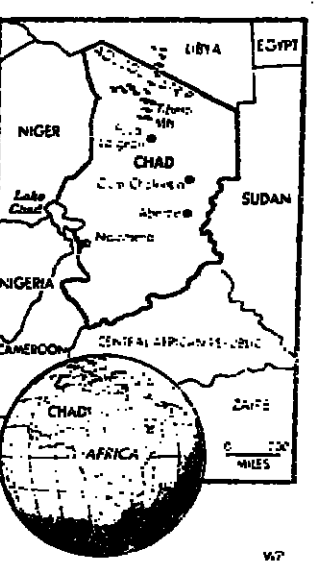
The town is familiar to the two sides. On Nov. 19, 1981, when Mr. Goukouni was president, Mr. Habré's forces renewed the fighting by seizing Abeche and then marching down the highway to Ndjamena to take power.

Informed sources in Ndjamena told Reuters that government troops had gone into action on two fronts around Abeche and Oum Chalouba in a pincer movement aimed at cutting rebel supply lines to Abeche.

If Mr. Habré's counterattack — the first since the fighting erupted in earnest June 23 — were to be unsuccessful, little would stand in the way of the Habré regime.

A good road leads from Ndjamena to Abeche and government troops, if they retreat from Abeche,

(Continued on Page 2, Col. 2)



U.S. Columnist Helped Reagan Before Debate

By Jonathan Friendly

New York Times Service

NEW YORK — George F. Will, the conservative political columnist and commentator for ABC News, helped coach Ronald Reagan for his 1980 debate with Jimmy Carter and then told television viewers after the debate that Mr. Reagan had performed very well.

Other columnists and journalists said Mr. Will's direct participation in shaping an event in the Reagan campaign undermined his ability to comment evenhandedly on the event and misled viewers by not acknowledging his role.

According to Mr. Will, his role as a Reagan partisan was well known, his contribution to the coaching was minimal and his help did not improperly influence his broadcast commentary.

(Mr. Will explains his position in a column in today's International Herald Tribune. Page 4.)

Just before the coaching session at a suburban Virginia estate, Mr. Will visited David A. Stockman, now the director of the Office of Management and Budget and then a Michigan congressman who was helping the Reagan campaign. Mr. Will has disclosed in recent broadcast and newspaper interviews that he saw some of the briefing material there that Mr. Stockman said later was "filched" from the Carter campaign.

The material was "excruciatingly boring" and of little use to the debate preparation, Mr. Will said. Other journalists, repeating the view of many Democrats, said the question was not the content of the papers but whether they had been stolen.

On the ABC News "Nightline" program after the debate in October 1980, Mr. Will praised Mr. Reagan's "thoroughbred" performance, adding, "I think his game plan worked well."

In a column Thursday in The New York Daily News, Jimmy Breslin said: "Mr. Will was 'a shift from the shades of situations who was on the show as a skill."

Ronnie Arledge, president of ABC News, said Friday that he did not think viewers had been misled because Mr. Will was a "known partisan." He said Mr. Will was not appearing "in a reportorial capacity." ABC News policy bars members of its regular news staff from participating in the events they report on, he said.

Mr. Arledge said that if the network had known of Mr. Will's coaching activities, "we would have asked him a lot more questions" about what Mr. Reagan had been doing to prepare for the debate.

On the air, Mr. Will had said, "I had a chance to see a bit of the preparation for the debate as an observer." In an appearance on the "Agony and Company" program taped Friday for broadcast Saturday evening, Mr. Will said he asked one question of Mr. Reagan in the debate rehearsal.

Asked if he was right or wrong to have helped at the rehearsal, the columnist said, "Recognizing the fact that there are legitimate gray areas of concern about what kinds of relationships particular kinds of journalists can have with particular kinds of politicians and events, I'm glad I went."

Mr. Stockman, through a spokesman, declined to discuss



George F. Will

Mr. Will's activities at the session, saying only that he had been "an invited guest."

William J. Casey, the campaign director, who is now director of central intelligence, asked for pre-debate coaching help from two columnists: Mr. Will, Patrick J. Buchanan and William Safire.

Mr. Safire, a columnist for The New York Times, refused. Mr. Buchanan said Friday that he spent four hours at the rehearsal, asked two questions and helped Mr. Will and other pundits give Mr. Reagan advice on how to handle various questions. He said he never saw any of the papers from the Carter campaign.

■ Newspaper Drops Will

The Daily News announced in its early editions Sunday that it was dropping Mr. Will's column from the newspaper because he knew Mr. Reagan's campaign used Carter White House material in preparing for the debate but never reported it, United Press International reported from New York.

about 5,500 tons. The U.S. allocation includes about 4,000 tons distributed through Catholic Relief Services and 1,500 tons of emergency supplies. The most visible aid was the airlift in June, requested by the World Food Program, of almost 100 tons of instant corn-soya milk, to feed undernourished children.

A spokesman for the Agency for International Development in Washington rejected the criticisms of the U.S. response to the famine. Besides the efforts of the Catholic Relief Services and the World Food Program, he said, the United States is providing food to refugees who are moving from the area into Sudan. Ethiopia is "fairly well taken care of with all the other donors," he said, referring to European and other international programs.

Most of the assistance from the United States will be provided through Catholic Relief Services, which made an emergency request last December. It took five months for the U.S. government to approve the emergency aid.

Moreover, early this year, the Reagan administration cut out of the fiscal 1984 budget an annual relief appropriation of \$2 million to \$3 million that had been channeled through the Catholic organization for the past several years.

"In the past, the U.S. policy has been to give more to favorable countries but not to cut out food aid at times of famine," said the Rev. Thomas Fitzpatrick, Catholic Relief Services director in Ethiopia. "This is the first time our program has been cut out for political reasons, but we are not accepting that the program will remain cut."

More than 70 members of Congress have asked the Agency for International Development to restore the cut funds and also to respond to a UN appeal for \$35 million worth of food, transportation, shelter and medicine. A U.S. aid official in Africa said Ethiopia was the only one of 39 countries on the continent

receiving U.S. food grants to be deleted from the program.

"It sticks out like a sore thumb," the official said as he looked at the list of recipients. "It has almost always been the policy that Title II food aid in emergency situations is apolitical." Under Title II, the United States pays all costs of food aid, including transportation.

He said Title II aid to Africa had been cut sharply, from \$85 million in 1982 to a proposed \$71 million in fiscal 1984, despite widespread drought on the continent and significant increases in transportation costs. Ethiopia does not make it easy for Washington to give aid. Colonel Mengistu Haile Mariam, the country's military ruler, routinely attacks the United States in the harshest terms.

Last September, Colonel Mengistu called the United States "arrogant," accused it of using "mercenary proxies in economic sabotage" and said Washington was "arming bandit gangs to pollute peace." In contrast, he said, the Soviet Union "earnestly stands for peace."

In addition, the government has a poor record in the human rights field and has come under criticism from the U.S. State Department and from Amnesty International. Many opponents of the government have been imprisoned for years without trial, and thousands were killed in a bloody campaign of suppression in the late 1970s.

Major Dawit Wolde Giorgis, the new director of the Ethiopian Relief and Rehabilitation Commission, acknowledged in an interview that help was unlikely to be forthcoming from the United States.

"U.S. transportation assistance would save many lives," he said.

There is currently enough grain in the country to feed the drought-stricken people in the north. That is

(Continued on Page 6, Col. 1)

Ethiopia's Drought and Famine Illustrate the Politics of Aid

By Jay Ross

Washington Post Service

ADDIS ABABA, Ethiopia — Tens of thousands of people are in danger of starving in a famine that could become one of the most catastrophic in African history.

About 50 to 100 children are already dying daily, according to Trevor Page, a United Nations World Food Program official who recently toured areas of

The worst drought in this century has scorched a broad swath of Africa from the Atlantic to the Indian Ocean. While southern Africa is hit by agricultural reversals, for Ethiopia the drought means death for thousands. This is the first of four articles on the famine and the politics of food aid.

northern Ethiopia, where the government and relief agencies say three million people are affected by drought and one million are in dire need.

Most relief officials think the death toll is likely to increase sharply before the next harvest in November unless foreign donors provide emergency food supplies and great assistance in transportation to bring food to isolated areas.

Some say the toll could approach 200,000, the number of people who died in the same area a decade ago in Africa's worst famine. Emperor Haile Selassie's government tried to hide that famine, but this time, Ethiopia's military government has provided ample warning and has sought to organize international aid.

Despite urgent appeals for international assistance, the United States, the world's largest source of surplus food, has declined to provide aid.

The relief effort, moreover, has been made much more difficult by wars for independence that have engulfed Eritrea and Tigre provinces and have spilled

over into the other two provinces affected by drought in the north, Gondar and Welo.

The intermingling of famine and war has made the Ethiopian drought a classic example, inside and outside the country, of the politics of starvation.

With the government and the guerrillas jockeying for international aid, the Tigre People's Liberation Front has charged that Ethiopia is diverting food assistance from the needy — charges that Ethiopia and international aid organizations have strongly denied.

And the United States appears to have bowed out of its customary role of providing relief because of Ethiopia's close ties to the Soviet Union.

Ethiopia, the closest ally of the United States in black Africa until Haile Selassie was deposed in a Marxist revolution in 1974, is now a firm friend of the Soviet Union, which supplies it arms, and host to about 12,000 Cuban troops. The military government is sharply critical of the United States.

A Western diplomat said it was clear that the United States was not going to provide major assistance unless others failed to do so.

"There is not much inclination [for the United States] to feed Ethiopians while the Russians are the country and direct it against the United States," he said.

Most of the emergency aid has been provided by the UN World Food Program, the European Community and individual European nations.

Some Western donors have pointed out to Ethiopian officials that their Soviet-bloc allies give them very little food assistance.

But Shimeles Adugna, until recently the head of the Ethiopian Relief and Rehabilitation Commission, said, "You can't give what you don't have."

The Soviet Union, a major food importer, recently pledged to give Ethiopia 9,500 metric tons of rice because of the crisis, compared with the U.S. total of



Men in Gondar province waiting for food distribution.

U.S. Miscalculations Seen Hurting Peace Effort in Lebanon

By Bernard Gwertzman
New York Times Service

WASHINGTON — The "fresh start" toward peace in the Middle East that President Ronald Reagan launched 10 months ago seemed last week to be at a dead end.

Secretary of State George P. Shultz returned from the region acknowledging the failure of efforts to arrange simultaneous withdrawal of Israeli, Syrian and Palestinian Liberation Organization forces from Lebanon. And there has been virtually no progress in tackling the broad, complex Palestinian question that was at the heart of Mr. Reagan's Sept. 1 plan.

"I wish I could report that somehow we see a movement in the direction of simultaneous withdrawal, but I can't give any such report," Mr. Shultz said wearily.

The Middle East was the one foreign policy area where the administration hoped for tangible results and, accordingly, Mr. Reagan and Mr. Shultz have devoted more time to it than any other. U.S. mediation did produce a Lebanese-Israeli withdrawal agreement in May, but even that accord seemed less in light of Syria's repeated rejections.

Washington had hoped last summer to take advantage of Israel's humiliation of the Palestine Liberation Organization and Syrian forces in Lebanon in order to revive the peace process and restore Lebanese control of the country. For eight years, Syria and the PLO had dominated Lebanon, except for the southern strip patrolled by the militia of Israel's ally, Major Saad Haddad.

The United States assumed that Israel, having achieved a major military victory, would agree to

withdraw quickly in return for security arrangements in southern Lebanon, and that the Arabs would pressure Syria and the remaining PLO forces to do the same.

As for Mr. Reagan's Palestinian plan, even after Prime Minister Menachem Begin of Israel rejected it, Washington believed King Hussein of Jordan would find it so attractive he would agree to enter the stalemate talks concerning the West Bank, a region

NEWS ANALYSIS

controlled by Jordan until it was seized by Israel in 1967. The PLO, its prestige severely damaged by its forced evacuation from Beirut, was presumed to be incapable of vetoing the king's participation.

Every one of these calculations proved wrong. The Israelis prolonged the negotiations for months, demanding that Lebanon agree not only to a security arrangement but also to political normalization (that would justify the deaths of 450 Israelis in the war). In the end, the Lebanese reluctantly gave in to many demands, but the delay proved fatal. While Israeli, Lebanese and Americans negotiated through the fall and winter, Syria received heavy infusions of Soviet military aid, refurbishing its forces and stiffening its resolve. By the time Mr. Shultz arrived in May and ended the Israeli-Lebanese haggling, the Syrians no longer could be pressured into withdrawing. King Hussein, meanwhile, again demonstrated why he is a survivor and not an innovator. The U.S. Embassy in Amman predicted — wrongly — that the king would agree to join the West Bank negotiations. But he continually searched for an Arab consensus that would support his entry into the talks. Lacking a PLO

or Arab League endorsement, he bowed out. Again the United States had miscalculated. Thus what could have been an impressive American diplomatic achievement turned out to be a win for the Soviet Union, which was coaching the Syrians and the PLO.

Moreover, Washington's relations, even with its good friends, the Israelis, Egyptians, Jordanians, Lebanese and Saudi Arabians, have become strained.

The Israelis were complaining that Washington was inept and should now allow them to pursue their own interests, since the Arabs were to blame for the breakdown in the withdrawal process. The Egyptians, Saudis and Jordanians blamed the United States for not compelling Israel to make concessions.

Israel now seems ready to withdraw some of its troops from around Beirut, where there have been Israeli casualties, to a more defensible perimeter in the south. In Lebanon's Bekaa Valley, Israeli troops would still be face-to-face with Syrians. The opposition Labor Party favors full withdrawal but last week, a senior Israeli official said the troops would remain in Lebanon for years if the Syrians did not leave.

Beirut feared the Israelis would become entrenched in new lines and that neither the Israelis nor the Syrians would then agree to leave. Washington worried that if Israel started the redeployment, Beirut might renege on the withdrawal agreement, which has strained Lebanese relations with other Arab countries.

When Mr. Shultz reported to Mr. Reagan on his fears that Lebanon may be disheartened by the lack of progress, Mr. Reagan stressed his "renewed commitment to move forward promptly on both Lebanon and the broader process and pledged "there would be no reverse gear."

Mr. Shultz told reporters that he also was not ready to give up, but that he had no specific new ideas to put forth.

Harold H. Saunders, for many years the State Department's top Middle East expert, said that if Mr. Reagan wanted to remain active in the Middle East — "and that's a big 'if'" — he would recommend that Mr. Shultz undertake an immediate major review so that Mr. Reagan could make a speech on Sept. 1 covering the year's efforts and making known the United States' further plans.

Mr. Saunders urged the president to maintain pressure on Israel to stop new settlements in the West Bank and agree to complete withdrawals from all occupied lands in return for security and peace. Mr. Reagan could also hint at moving toward support of Palestinian self-determination, but without endorsing these code words for an independent Palestinian state.

Some experts have advocated bringing the Soviet Union into the talks to revive the intermittent dialogue that began after the 1967 Middle East war. But William Quandt, another former government expert, believes overall Soviet-U.S. relations are so poor that the two countries would simply end up arguing and would thus increase tensions in the region. Moreover, it is assumed in Washington that despite Syria's ties to Moscow, President Hafez al-Assad makes his own decisions.

With President Amin Gemayel of Lebanon and Mr. Begin expected in Washington later this month on separate visits, the administration will be focusing for a time on the Israeli redeployment controversy. But eventually Mr. Shultz and his advisers will have to return to the unresolved basic issues.

WORLD BRIEFS

Glomp Assails Press on Pope's Visit

ROME (AP) — Cardinal Jozef Glomp, the primate of Poland, criticized Sunday the press for political speculation during the pope's trip home, and said that foreigners should not "stick their noses" into Poland's affairs.

"The world of political journalism, of speculation, again showed itself to be superficial," Cardinal Glomp said of Pope John Paul II's eight-day journey to his native Poland last month.

"The mass media often give a distorted view of life, so that often man does not know how to deal with that which is written," he declared during a Mass at the Polish church of St. Stanislaw. He did not cite specific incidents and reporters were not allowed to approach him afterward for elaboration.

Moscow Mayor's U.K. Visit Decried

LONDON (AP) — More than 20 Jewish protesters shouting "Free Soviet Jewry" encircled Mayor Vladimir Promyslov of Moscow on Sunday as he arrived for a luncheon with leaders of the Greater London Council.

The demonstrators, some wearing prison camp clothing, waved placards at Mr. Promyslov, 75, as he made his way through the courtyard of The Dickens Inn. A member of Mr. Promyslov's party struck out and broke one of the placards.

The demonstration was organized by the Women's Campaign for Soviet Jewry, which announced that it would stage protests outside most functions that the Moscow visitors are scheduled to attend. The mayor, who arrived here Saturday for a nine-day visit as guest of the council, has described his trip as a good-will visit.

U.S. Accused in Salvadoran Talks

SAN JOSE, Costa Rica (AP) — Salvadoran leftist leaders said Sunday that a proposed meeting with the U.S. special envoy, Richard B. Stone, had fallen through because of what they called the "propagandistic environment that preceded it."

A communiqué issued by the leftists said the meeting had been planned for Saturday. Mr. Stone flew from El Salvador to San José on Friday and returned Sunday to El Salvador. "Unfortunately, it was not possible to obtain an agreement on procedural aspects, which prevented the realization of the meeting," said the communiqué. "Neither did the propagandistic environment that preceded it help."

The communiqué said the meeting was to have been private with no publicity. It was signed by the Democratic Revolutionary Front, made up of Salvadoran leftist parties, and the Farabundo Martí National Liberation Front, the coalition of five guerrilla groups fighting to overthrow the U.S.-backed Salvadoran government. The communiqué said the leftists remained interested in arranging a meeting with Mr. Stone.

Iran Shutting 2 French Facilities

TEHRAN (Reuters) — Iran said Saturday that it was closing the French Consulate in the provincial town of Isfahan and the French cultural institute in Iran in retaliation for what it said was France's involvement in the hijacking of an Iran Air plane that landed Thursday in Paris.

The national news agency IRNA quoted the Foreign Ministry as saying the action was being taken "to counter the socialist-Zionist French government's collaboration with the hijackers and the outlawed Mujahedin, a leftist group opposed to the government."

The Boeing 747, with 350 passengers on board, was seized by six men during a domestic flight to Tehran on Wednesday and forced to fly to Kuwait and then Paris. The hijackers have been charged with air piracy by a French court, but France has rejected an Iranian request for extradition. French officials said Friday the hijackers would probably be granted asylum.

Shuttle Ants Died of Dehydration

WASHINGTON (WP) — The colony of carpenter ants that flew aboard the space shuttle Challenger last month apparently died of dehydration, though students and teachers examining the first 30 bodies say they cannot tell when the ants died. "What we have on our hands is the equivalent of an ant detective story," said Nicolas Tinpanelli of Camden, New Jersey, one of the teachers.

A videotape taken inside the colony during liftoff and the flight's first 10 minutes showed no motion. The spaghettum moss where the 150-ant colony lived was found to be dry when the container was opened, though there was still one full tube of drinking water.

Fifteen students from Camden and Woodrow Wilson high schools had worked on the experiment since 1981 with a \$10,000 grant from RCA Corp.

Weinberger Visit to China Studied

WASHINGTON (UPI) — Negotiations are under way between China and the United States for a visit to Beijing in early fall by Defense Secretary Casper W. Weinberger, U.S. officials said Sunday.

The officials emphasized that no firm arrangements had been made but that September or October had been targeted as a likely time for the visit. It would be Mr. Weinberger's first trip to China, although he has been to Asia twice — in April and November, 1982.

The Pentagon has been reviewing a liberalization of U.S. controls on the export to China of high technology equipment such as computers, semiconductors and the machinery to manufacture them. A Pentagon official left the impression that the review should be completed in time for Mr. Weinberger's departure, though the official could not make that link.



Emmanuel Bellefroid and Li Shuang in Beijing in 1981.

China Said to Free Dissident Artist

BEIJING (UPI) — Li Shuang, a Chinese artist and dissident who was engaged to a French diplomat, has been released after two years in prison, diplomatic sources said Sunday.

They said she was freed Friday, the day that the French agriculture minister, Michel Rocard, arrived in Beijing for a week-long visit. Miss Li was arrested Sept. 9, 1981, outside the foreigners' compound where she had been living with Emmanuel Bellefroid, who was then attached to the French Embassy in Beijing. The incident caused a crisis in Chinese-French relations.

It is not clear if Miss Li will seek to go to France to join Mr. Bellefroid, but diplomatic sources said she had stated that she still wanted to marry Mr. Bellefroid, who now works at the External Relations Ministry in Paris.

For the Record

UPPSALA, Sweden (Reuters) — The Seismological Institute of Uppsala University reported three underground nuclear explosions Sunday north of the Caspian Sea in the Soviet Union. The institute said the most powerful tremor measured 6 on the Richter scale. The Soviet Union frequently carries out underground test explosions, but Sunday's appeared to be stronger than usual, the institute said.

TEL AVIV (UPI) — A propaganda balloon launched a week or two ago from Taiwan toward mainland China got caught in winds and floated more than 6,000 miles (9,600 kilometers) to Israel, landing Sunday in an orchard near Tel Aviv, Israeli radio said.

MUNICH (AP) — Radio Free Europe and Radio Liberty, U.S. government-supported broadcasters to Eastern Europe, plan to improve their equipment in efforts to overcome Soviet-bloc jamming. James L. Buckley, the former U.S. senator who took over as president of the two stations last year, said the Reagan administration had backed his request for a \$22-million budget increase for the two stations.

Israel Plans to Rebuild Hebron Jewish Quarter

By David B. Ottaway
Washington Post Service

HEBRON, Israeli-occupied West Bank — Deputy Prime Minister David Levy of Israel said Sunday that the Israeli government had already decided to rebuild the old Jewish quarter of this Arab city, where a Jewish seminary student was stabbed to death Thursday by Arab assailants.

The attack touched off a night of violence by local Jewish residents.

In an interview with the army radio, Mr. Levy said there had been a decision "for some time" to go ahead with a plan to reconstruct the quarter, adding that "the decision, in its entirety, will be implemented."

The plan is understood to call for the resettling of 500 Jewish families in the heart of Hebron, a conservative Moslem city, within three years, a development that seems highly likely to provoke even more strife between the settlers and the 70,000 Arab inhabitants.

At its weekly cabinet session Sunday, the government discussed the death of Aharon Gross, 19, as well as demands by Jewish settlers in Hebron and in nearby Kiryat Arba for far stronger punitive measures against Arabs attacking them and for the creation of a militia for their protection.

The death of Mr. Gross, the eighth Jew killed by Arabs in Hebron in the last three years, has caused a national uproar because of allegations that he had been left unattended in the street and bled to death before being taken to a hospital. The army denied Sunday that such was the case, however.

Speaking after the cabinet session, Dan Meridor, a spokesman said there would be "no radical changes" in the government's security policy in the West Bank as a result of Mr. Gross's murder and stressed that no private settler militia would be allowed.

"We are not going to allow private citizens' activities in the place of the police's work," Mr. Meridor said. Anyone found violating the law, Arab or Jew, will be brought to court for trial, he added.

Mr. Meridor also said the cabinet had decided "nothing specific" regarding the reconstruction of the old Jewish quarter, abandoned in 1929 after a massacre of about 60 Jews by the local Arab population.

But informed sources said several ministers, most notably Ariel Sharon, the former defense minister who is now a minister without portfolio, had called for the confiscation of the entire Arab market and bus station area in Hebron's center to make way for the rebuilding of the former Jewish quarter.

It appears a hard-line faction within the cabinet now intends to press for the government to go ahead with a plan, adopted in principle in 1980, to rebuild the quarter, making use of the public outcry over Mr. Gross's death.

There are 60 to 100 Jews living in

the market area in the central part of the city. The government was in the process of taking down a number of nearby abandoned houses, but a court injunction has halted the demolition work.

Central Hebron was quiet but still tense Sunday. It is still under a curfew that was lifted for four hours Sunday afternoon to allow the local population to shop for food on the eve of the big feast marking the end of the month-long dawn-to-dusk Ramadan fast.

Reporters allowed into the area were able to see the damage done when 50 to 100 enraged Jewish settlers went on a rampage Thursday night, burning stalls and shops.

Altogether, the damage appeared to be considerably less than first reports said, but the army curfew made it impossible to verify.

Meanwhile, an army spokesman gave more details Sunday about its investigation into Mr. Gross's murder, as well as the rioting, which occurred while army troops at first stood by without trying to stop it.

The spokesman said Mr. Gross had been stabbed with three curved knives rolled up in newspapers as he stood at a traffic circle just outside the market.

He confirmed initial reports that three of Mr. Gross's colleagues who had been with him had chosen to "chase the Arabs" rather than help him as he lay bleeding on the ground.

But he said Mr. Gross had not been unattended for 90 minutes, as local sources and some army officers first reported, and had already been taken away by the time the first soldiers arrived "within 5,10 or 15 minutes."

The spokesman said Mr. Gross had lost a lot of blood from multiple stab wounds almost immediately and the chances he could have been saved were "slim."

It was an Arab who took Mr. Gross to the local hospital and then his own home, believing that he was his son and not Jewish because of his dark complexion. The army spokesman said it 90 minutes before his body was brought to the local military headquarters and they realized a Jew had been killed.

Chad Troops Retake City

(Continued from Page 1)

would probably regroup to defend the midpoint town of Ati.

Mr. Habré would be cut off from supplies from Sudan, one of his closest allies, if Abbeche stayed in Mr. Goukouni's hands.

This would make Mr. Habré entirely dependent on airlifts of weapons to Njameña and ferry loads across the Chari River border with Cameroon.

Meanwhile, French television reported that an evacuation plan for French citizens had been prepared for implementation if the situation deteriorated.

Dependents of diplomats, international aid organizations and other expatriates have already left Njameña, reflecting widespread concern about Mr. Habré's capability to check the rebels at the current stage of the fighting.

President Hosni Mubarak of Egypt was quoted Sunday as saying he "strongly rejected" a Chadian government request to send air force officers to Chad to fight a Libyan-backed invasion.

The afternoon newspaper al-Missa said Mr. Mubarak had made the disclosure at a meeting Saturday with national newspaper editors.

"We were asked to send pilots or technicians to Chad," Mr. Mubarak was quoted as having said, "but we refused strongly. Our armed forces are not mercenaries. They have national tasks."

Causes on African Tour

The Associated Press

BUCHAREST — President Nicolae Ceausescu of Romania and his wife, Elena, plan to visit Ethiopia and Mozambique on an African tour beginning this week, the official news agency Agerpres reported Sunday.



Abu Ayad, right, a PLO official, was greeted in Rome by Monsignor Hilarion Capucci, the former Greek Catholic archbishop of Jerusalem. Mr. Ayad was on his way to East Berlin.

Arafat to Visit Moscow to Discuss Syrian Ties

Compiled by Our Staff From Dispatches
ROME — Yasser Arafat, chairman of the Palestine Liberation Organization, will go to Moscow this week for consultations on relations between the PLO and Syria, a leading PLO official has announced.

Salah Khalaf, known as Abu Ayad, on a brief stopover at Rome's Leonardo da Vinci Airport on Saturday, said the visit would take place "in a week's time" but gave no exact date or details.

Mr. Arafat was expelled from Syria last month after accusing Damascus of supporting the rebellion in his el-Fatah guerrilla group against his leadership. Syria denies the charge and says it is up to Mr. Arafat to resolve the dispute among his own followers.

In Damascus, a Saudi government minister met Sunday with Syria's president, Hafez al-Assad, apparently in a new attempt to mediate in the dispute over Mr. Arafat's leadership of the PLO.

Education Minister Abdul-Aziz al-Abdallah al-Khawwara gave Mr. Assad a message from King Fahd, the official Syrian press agency SANA reported.

It gave no details of the message or of the talks between Mr. Assad and the Saudi official.

Leader of Greens Doubts Protests Can Prevent Deployment of Missiles

By Peter Maass
Washington Post Service

WASHINGTON — Peter Kelly, a leading force in West Germany's leftist Greens, says that nonviolent civil disobedience and demonstrations probably will not succeed in blocking the deployment of NATO missiles in West Germany scheduled for later this year.

"It's open," Miss Kelly said Friday in reference to the potential for the demonstrations planned for the fall to succeed, "but I'm pessimistic."

Miss Kelly, a member of parliament, said in an interview with Washington Post editors and reporters that her party's emphasis on blocking the planned installation of cruise and Pershing-2 missiles was an "absolute priority."

A party representative who accompanied Miss Kelly noted that the deployment, which is scheduled to begin in December, would take four years and said that the Greens would be protesting throughout that period.

The party strongly supports conservation and opposes nuclear weapons. In elections last spring, the Greens polled slightly more than 5 percent of the vote, gaining 27 parliamentary seats.

Miss Kelly and five other party leaders traveled to the United States for a week-long visit. She said the West German press concentrated too heavily on a violent demonstration two weeks ago against Vice President George Bush, whose motorcade was pelted with rocks and bottles in Krefeld, West Germany.

The press "did its very best" to publicize the violence, which was caused by an estimated 100 people, and to ignore a nearby peaceful demonstration attended by 40,000 people, Miss Kelly said.

She said that the Greens "have a moral solution" to stop the violence, but that their role is to "try to keep up the dialogue."

Miss Kelly, 35, met Thursday with officials at the State Department to discuss the arms race and human rights.

"It was a confirmation of the things we feared about the administration," she said. "They have little concern for human rights."

Miss Kelly said her requests for meetings with President Ronald Reagan and the Soviet president, Yuri V. Andropov, had been turned down.

She said the Greens "understand" why the Soviet Union rejects Mr. Reagan's "zero option" proposal to cancel the deployment of missiles by the North Atlantic Treaty Organization if the Russians dismantle their SS-20 missiles aimed at Europe.

The Russians "are asked to take away all of their land-based missiles and we, on the Western side, don't remove one air- or sea-based missile, we just remove what is on paper," Miss Kelly said.

Israeli Army Returns Post To Lebanese

The Associated Press

MONTE VERDE, Lebanon — The Israeli Army has turned over an advance position in the hills above Beirut to the Lebanese Army in what sources said Sunday was a trial run for future withdrawals.

"We're still keeping our patrols by arrangement with the Lebanese Army," said an Israeli officer who refused to be named. "They took over the farthest point we had" on the mountain road from Monte Verde into the Bekaa Valley, the officer said, "but we will continue our patrols and we are not giving up control of the area."

Sources close to the Israeli Army indicated the move was a test for the planned redeployment move out of the Beirut area and the central mountains to below the Damour River, 14 miles (22 kilometers) south of Beirut, then eventually to the Awali River, 15 miles farther.

The Israelis had maintained about 40 tanks, artillery pieces and trucks outside this mountain town six miles east of Beirut since last summer's invasion, according to the Lebanese soldiers now manning the position.

Overnight Friday, the Israelis pulled out and the Lebanese Army moved in several armored personnel carriers and small tanks. On Sunday, only two French-made AHX-13 light tanks and a truck were seen, with about a dozen soldiers.

"There is no real improvement of the situation," said the Lebanese officer in charge of the area. He refused to be named.

"The Israelis can still patrol here. They have the same rights as before. The only thing is that they do not stay continuously in this area. It relieves them of some pressure, and they are less exposed to an attack."

He said the Israelis sent a patrol of four armored personnel carriers and three jeeps through Monte Verde earlier Sunday.

The Israelis fear instability and clashes among Lebanese factions if they should pull completely out of the mountains.

Monte Verde was considered strategic because it sits on a ridge above the Beirut River, and commands a wide view of hills to the east occupied by the Syrian Army and Lebanese leftists.

"This is an indication of the kinds of arrangements that are being thought about" in connection with the larger planned redeployment, the sources close to the Israeli Army added.

If the area remains peaceful under the Lebanese Army, and if the army can keep anti-Israeli guerrillas from infiltrating, the Israelis might find it easier to give up more important positions to the south.

Chile Will Let 88 Back From Exile

United Press International

SANTIAGO — Facing the threat of a third mass protest this week, Chile's military government has authorized the return from exile of 88 opposition politicians.

Included are two prominent figures: Renan Fuenzalida, former president of the main opposition force, the Christian Democratic Party, and Cesar Godoy, 82, a former representative from the Communist Party.

President Augusto Pinochet said he would order his government to hasten the return of exiled Chileans after two recent protests demonstrated widespread discontent with his 10-year-old government. At least 622 people have been allowed to return. There are 10,000 to 30,000 Chileans living in exile.

Elephants Are Eaten in India

United Press International

NEW DELHI — Poor people in eastern India have begun to eat elephant meat, threatening the animals' existence, a news report said Sunday. "The economic crisis because of repeated crop failures, lack of employment and various other reasons" have led people in Orissa state's Chhanda area to eat elephant meat, the Hindustan Times reported.

Afghan Rebels Claim Downing Soviet Plane

United Press International

ISLAMABAD, Pakistan — Afghan Islamic rebels shot down a Soviet plane on a bombing mission and captured the Soviet pilot and an adviser after they parachuted from the plane near Kabul, insurgents reported Saturday.

The report said the plane was accompanied by three other jets and eight helicopter gunships in an attack Tuesday against resistance headquarters at Yakhdara, 3 miles (5 kilometers) northeast of Kabul.

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Officials in Both Parties Call Carter Papers a Minor Issue

WASHINGTON — The controversy over how the Reagan presidential campaign obtained documents and information from inside the Carter White House in 1980 has become front-page news but not a significant political issue around the United States, according to interviews with a dozen Democratic and Republican state chairmen.

"It may not be a big scandal, but it is a scandal," said Robert Slagle, head of the state Democratic Party in Texas.

"People just aren't that interested in it," said Edward Reinecke, chairman of the California Republican Party.

At the White House, the political impact of the affair was judged to be minimal until late last week. Some of President Ronald Reagan's advisers have said they believe that reporters are being overbearing in their pursuit of a story that amounts to little and in which the public is not interested.

"We haven't heard one negative word from our people," said a senior administration official when asked about the reaction of former Reagan campaign workers. "It is not that interesting a story to anyone with perspective on it," the official said, "anyone but reporters and politicians."

"If we've made any mistakes in handling this thing, it was in judging how rabid this whole town would be for the story," he added, alluding to Washington. Now, he said, "we know we are dealing with public perception as shaped by the press more than we are with investigators."

Such Republican state party chairmen as Don W. Adams in Illinois minimized even that impact. David Norcross, the former chairman of the New Jersey Republican Party and deputy general counsel to the Republican National Committee, said: "My only outrage

over this story is that it's a nothing and it's not dying because the press is pumping it up."

Aide's Remark Reported

About a week before the 1980 presidential debate, one of Mr. Reagan's campaign aides reportedly told a close friend, who was President Jimmy Carter's deputy campaign counsel, that Mr. Reagan would win the debate because his aides had a copy of Mr. Carter's debate briefing book, The Washington Post reported from Washington.

The friend is said to have told this to her boss, the Carter campaign counsel, Timothy G. Smith, who recalled Saturday that he dismissed the idea as "preposterous" because "the debate briefing books are too closely held at the White House." Mr. Smith added ruefully that he had done nothing about it.

The incident indicates widespread knowledge inside the Reagan camp about its possession of a copy of Mr. Carter's briefing book. The Reagan aide, Charles Crawford,

was not involved in preparing Mr. Reagan for the debate.

Mr. Crawford's friend in the Carter campaign was the deputy campaign counsel, Carol C. Darr, who could not be reached for comment. Mr. Crawford also could not be reached. But Mr. Smith confirmed the account in a telephone interview.

But the legislative veto case originally was brought by liberal Washington public-interest lawyers who complained that the device made it too easy for business groups to overturn in Congress the efforts of executive branch officials and regulatory agencies to protect the public health and safety. In this instance, Justice Burger's opinion for the court was signed by Justice Sandra Day O'Connor and the four liberals — Justices Brennan, Marshall, Blackmun and Stevens.

The Reagan administration came out a big winner in the decision on the legislative veto. It won another major victory when the court upheld a Minnesota law allowing parents to deduct the costs of education from their taxes — a decision leading at least some support to the administration's effort to allow tuition tax credits for private schools.

Nevertheless, the Reagan administration suffered an unusual number of setbacks at the court this year. The justices' ruling on abortion bluntly rejected the administration's position. The court also unanimously struck down one of the linchpins of the Reagan administration's efforts at deregulating private industry — its 1981 revocation of the requirement that new cars be equipped with airbags or automatic seat belts.

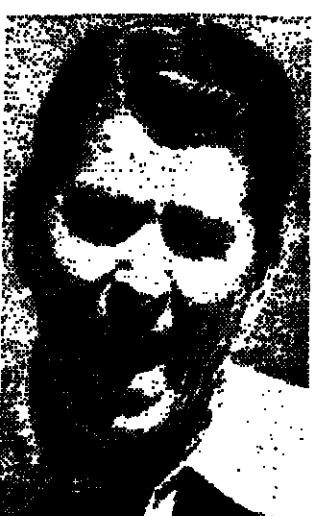
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Furthermore, in the past year there have been a couple of disagreements between Chief Justice Burger and the Reagan administration. Last fall, the chief justice

strongly opposed an unsuccessful administration effort to create more than 200 life-tenured bankruptcy judges. Last spring, the White House twice refused to endorse Justice Burger's proposal for an experimental national court of appeals to relieve the Supreme Court's workload.

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Reagan Policies Denounced at Women's Caucus

Delegates, Expressing New Sense of Political Influence, May Back a Candidate

By Paul Taylor

Washington Post Service

SAN ANTONIO, Texas — President Ronald Reagan's political problem with women — the so-called gender gap — dominated Saturday's meeting of the biennial convention of the National Women's Political Caucus here.

In torrents of ridicule, derision, hisses, boos and sarcasm, delegates belonging to both major political parties denounced Mr. Reagan's policies and talked of breaking with caucus tradition to support an opponent.

Kathy Wilson, a Republican who heads the 77,000-member caucus, opened Saturday's session by labeling Mr. Reagan "a dangerous man." She urged him not to seek reelection, saying, "Mr. President, one term is enough. . . . As a matter of fact, it is entirely too much."

She was followed on the podium by another Republican, Patricia Bailey, a member of the Federal Trade Commission, who leveled a blistering attack on Mr. Reagan's policies toward women. "Benign

bewilderment in response to the women's revolution is a license to bigotry," she said. She was appointed to the commission by President Jimmy Carter.

The dissatisfaction with Mr. Reagan was summed up another way by Mary Stanley, head of the caucus's Republican contingent, who wore a button that said "I am a Republican woman and I want my party back."

There was talk among Democratic and Republican delegates that the caucus would break its tradition of 12 years and endorse a candidate, other than Mr. Reagan, for president next year.

Mr. Reagan has come under severe criticism at the caucus, which had always prided itself on bipartisanship and mainstream activism. As the politician whose lower support among women than among men led to the coining of the term "gender gap," Mr. Reagan has given many of the 2,000 activists in attendance a new sense of political influence.

"The existence of a measurable,

definable difference in voting patterns between men and women," said Ann Lewis, political director of the Democratic National Committee, "is the second most important thing to happen to the women's political movement. The first was suffrage."

Network exit polls from the 1980 presidential campaign showed that 56 percent of men voted for Mr. Reagan compared with 47 percent of women. More recently, the difference between Mr. Reagan's approval rating among men and women has been fluctuating from 10 to 20 percentage points.

While much of the talk in the caucus workshops has been about the basic issues — equal pay, freedom of choice on abortion, the proposed Equal Rights Amendment — the overwhelming theme of the weekend was traditional politics.

For the partisan Democrats, a continuing gender gap promises rewards: bloc voting in favor of Democrats.

The Republicans were not inclined to minimize the gender gap's

perils for their party. Commissioner Bailey took issue with the theory that as the economy improves the gender gap will begin to disappear.

She said she believes that, even though the polls are not subtle and sophisticated enough to find it, the real source of Mr. Reagan's troubles with women has less to do with economic issues than with the traditional "women's issues" of the ERA and abortion.

Few Republican women said they believed the Mr. Reagan would make such a dramatic turnaround, and they worried that any White House concessions would be shrugged off with the same low-key response that greeted the president's appointment of two women to his cabinet.

"The take-two-appointments-and-call-me-in-the-morning stuff just won't work," said a Republican who asked not to be identified.

One Republican trying to sound a cautionary note against the palpable anger is Mary Louise Smith, a former Republican national chairman. "I don't think it would serve us at all well to have all women with one party," she warned. "The blacks have discovered that you get taken for granted."

Unusual Harmony on U.S. Supreme Court Is Evident in Some Major Rulings

By Jim Mann

Los Angeles Times Service

WASHINGTON — Chief Justice Warren E. Burger and Justice William J. Brennan Jr. have sat together on the Supreme Court for 14 years, and during that time they have agreed on precious little.

The chief justice is the titular leader of the court and one of its most conservative members. Justice Brennan is the court's senior justice and one of its most liberal members; he worked closely with and revered Justice Burger's predecessor, Chief Justice Earl Warren.

Yet in the tumultuous Supreme Court term that has just ended, an unusual harmony on the bench showed up in some major decisions.

There were still plenty of 5-4 decisions in which the court was as bitterly divided as ever. But for the first time in recent years, the chief justice and Justice Brennan, usually the spearheads of conservative and liberal blocs within the court, found themselves voting together on important cases.

With Justice Burger and Justice Brennan in agreement, several far-reaching cases were decided by lopsided margins.

The court voted 6-1 to strike down the "legislative veto," the technique used by Congress to limit the power of the president and regulatory agencies. It voted 6-3 to

reaffirm and extend its 1973 ruling legalizing abortion.

It decided 8-1 that the Reagan administration was wrong in its contention that the Internal Revenue Service has no power to deny federal tax exemptions to private schools engaging in racial discrimination. And it ruled 9-0 that California and other states may re-

strict the construction of nuclear power plants within their borders.

How does one explain the performance of these two men and of the Supreme Court as a whole in these cases? The answer appears to lie in a combination of four different factors.

First, the nature of the issues coming before the court is slowly changing. Second, the Supreme Court as a whole is maintaining a distance from the Reagan administration. Third, the court's own traditions and precedents create a sort of institutional inertia that affects the way it responds to controversies. And fourth, most of the justices have been on the court long enough to begin thinking of their role in history.

The past splits between Justice Burger and Justice Brennan have been part of an almost epic ideological struggle for control of the court between conservatives and liberals. Yet some of the major decisions this year defied conventional

ideological labels and produced strange voting alignments.

In the past, issues of "states' rights," for example, often came before the court in cases where state governments were seeking to fend off efforts by the federal government to extend the civil rights of minorities, to regulate health and safety or to extend such programs as minimum-wage laws. In these contexts, upholding the authority of state governments became a cause championed by conservative justices and opposed by liberals.

In two cases this year, however, the court was asked to rule on efforts by California to limit nuclear power development and to tax earnings of multinational corporations — both measures that tend to draw support from liberals and opposition from conservatives.

The usual divisions within the court eroded. In the case involving multinational companies, the justices upheld California's method of taxation, 5-3, with Justice William H. Rehnquist, the court's most fervent advocate of states' rights, joining Justice Brennan, Justice Thurgood Marshall, Justice Harry A. Blackmun and Justice John Paul Stevens, in the majority.

Similarly, in the past decade the liberals on the court have tended to support efforts to place limits on the power of the executive branch of government and to make it more accountable to Congress.

But the legislative veto case originally was brought by liberal Washington public-interest lawyers who complained that the device made it too easy for business groups to overturn in Congress the efforts of executive branch officials and regulatory agencies to protect the public health and safety. In this instance, Justice Burger's opinion for the court was signed by Justice Sandra Day O'Connor and the four liberals — Justices Brennan, Marshall, Blackmun and Stevens.

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Nevertheless, the Reagan administration suffered an unusual number of setbacks at the court this year. The justices' ruling on abortion bluntly rejected the administration's position. The court also unanimously struck down one of the linchpins of the Reagan administration's efforts at deregulating private industry — its 1981 revocation of the requirement that new cars be equipped with airbags or automatic seat belts.

Only one of the conservatives, Justice O'Connor, was appointed by President Reagan. The others already had been on the bench for nearly a decade before Mr. Reagan became president and show little inclination to support his positions.

Furthermore, in the past year there have been a couple of disagreements between Chief Justice Burger and the Reagan administration. Last fall, the chief justice

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strongly opposed an unsuccessful administration effort to create more than 200 life-tenured bankruptcy judges. Last spring, the White House twice refused to endorse Justice Burger's proposal for an experimental national court of appeals to relieve the Supreme Court's workload.

The Reagan administration is discovering an old truth about the Supreme Court: Change in any direction usually comes slowly there, because of the strong preference for sticking to precedent.

Many legal scholars believe that if the 1973 abortion case, *Roe vs.*

was not involved in preparing Mr. Reagan for the debate.

Mr. Crawford's friend in the Carter campaign was the deputy campaign counsel, Carol C. Darr, who could not be reached for comment. Mr. Crawford also could not be reached. But Mr. Smith confirmed the account in a telephone interview.

But the legislative veto case originally was brought by liberal Washington public-interest lawyers who complained that the device made it too easy for business groups to overturn in Congress the efforts of executive branch officials and regulatory agencies to protect the public health and safety. In this instance, Justice Burger's opinion for the court was signed by Justice Sandra Day O'Connor and the four liberals — Justices Brennan, Marshall, Blackmun and Stevens.

The Reagan administration came out a big winner in the decision on the legislative veto. It won another major victory when the court upheld a Minnesota law allowing parents to deduct the costs of education from their taxes — a decision leading at least some support to the administration's effort to allow tuition tax credits for private schools.

Nevertheless, the Reagan administration suffered an unusual number of setbacks at the court this year. The justices' ruling on abortion bluntly rejected the administration's position. The court also unanimously struck down one of the linchpins of the Reagan administration's efforts at deregulating private industry — its 1981 revocation of the requirement that new cars be equipped with airbags or automatic seat belts.

Only one of the conservatives, Justice O'Connor, was appointed by President Reagan. The others already had been on the bench for nearly a decade before Mr. Reagan became president and show little inclination to support his positions.

Furthermore, in the past year there have been a couple of disagreements between Chief Justice Burger and the Reagan administration. Last fall, the chief justice

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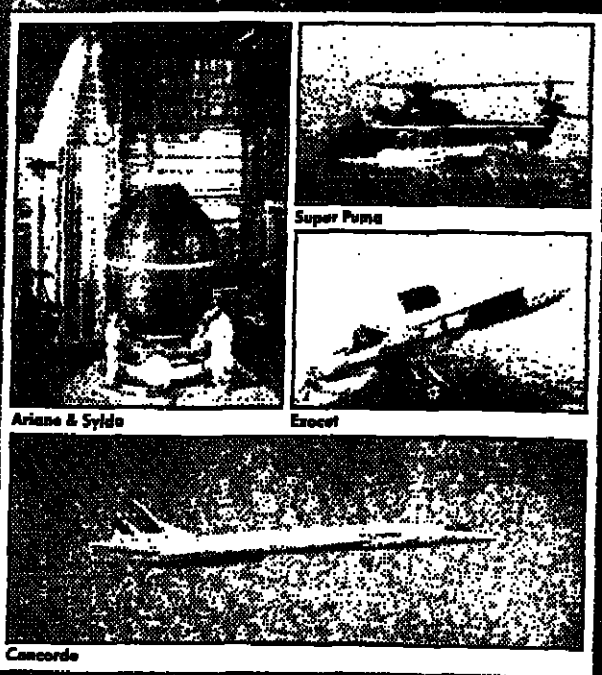
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Herald Tribune

Published With The New York Times and The Washington Post

Topic A for Shultz

In typical jet-age fashion, Secretary of State George P. Shultz has been dashing around the world touching bases that needed touching before his first year in office ends this week. It is not Mr. Shultz's fault that he has been doing freshman chores midway through President Reagan's junior year, but there is not much time left for this administration to choose an area of diplomatic concentration.

Mr. Shultz spent most of the year undoing the early Reagan damage. He resumed private conversation with the Soviet ambassador, persuaded China that Mr. Reagan is not about to unleash the Taiwan problem, got the president to call off a potential brawl with the allies over the Soviet gas pipeline and to put a hint of flexibility into the European negotiations; disassociated the United States from Israel's invasion of Lebanon and still shifted much of the blame for the Palestinian impasse to Arab nations. If diplomacy is putting out fires, including self-inflicted hotspots, that is not a bad one-year run. With another such year Mr. Shultz might also gain control of the two-alarm blaze in Central America, and the too-benign neglect of South Africa and respond more sympathetically to the cries for help from the poorest countries.

But if diplomacy should also be constructive, the Reagan team has little to show.

Are Americans better off internationally than they were three years ago? Are the Russians gasping in the quickening arms race as Mr. Reagan expected? Are the Western democracies using their great economic power to promote stability, to preempt Third World revolution, to help Poland, or Afghanistan? Where is the payoff from the great AWACS

sale that consumed Mr. Reagan's first year? The president and Mr. Shultz have barely a year in which to make their diplomatic mark in this term. They ought now to leave the Middle East and much else to subordinates and concentrate on re-establishing civil ties to Moscow. Unless they do, technology will take charge of the arms race and propel it into space and beyond all rational limits. Unless those limits are defined in a confidence-building diplomacy, even peripheral rivalries, as in Lebanon or Nicaragua, can spin out of control.

Mr. Shultz's only major statement on Soviet policy, to the Senate Foreign Relations Committee last month, was a useless pastiche of highly divergent views. He proposed more negotiation, notably for arms control. But first the Soviet Union would have to behave itself and stop threatening stability or even exploiting instability. If there were no major Soviet-American problems, he seemed to say, there would be no problems.

A mature diplomacy can't wait for philosophical harmony or shared values. The United States and the Soviet Union need to temper the competition in weapons and contain their other rivalries, not because they agree about how the world should work but because they don't. They need agreements that are mutually beneficial and thus self-enforcing.

Strength alone may deter nuclear war and lessen aggression, as Mr. Shultz contended, but only at mad cost and risk. If the secretary of state wants a productive second year, he had best let someone else fight the fires while he tends to Topic A. That was, is and will continue to be the Soviet Union.

—THE NEW YORK TIMES

Unscheduled Babies

Look with a jaundiced eye on any projections that assume a certain number of babies will be born. Nothing is more mysterious or harder to predict than a society's birthrate. Almost no one anticipated the high U.S. birthrates of the 1947-1962 baby boom, which were higher than those of any other industrialized country in this century. People were surprised again when birthrates fell sharply, and the failure to anticipate the change caused all manner of problems, from a shortage of school classrooms in the 1960s to the Social Security revenue shortfall that looms likely in the next century. Now the birth statistics may be about to confound the experts again.

The fertility rate, the number of live births per 1,000 women aged 15 to 44 — has stayed close to the same low figure for the last decade, but the birthrates for women of different ages have changed in different directions in the last three years. Women under 25 are having fewer babies. That is part of a long-term trend; it was

a sharp decline in births among women under 25 that ended the postwar baby boom. But the birthrate among women over 30 has increased significantly in the early 1980s. These mothers tend to have above-average levels of education and income. The widely publicized increase in births among the trendy set may be the harbinger of a much larger trend.

The higher fertility rate among women over 30 has been enough to hold the overall birthrate steady, and may do so for most of the 1980s. If this happens, those who foresaw fewer births, on the theory that baby boom women would have passed peak childbearing years in the middle 1980s, would turn out to be wrong. There won't be a decline in the number of women in their 30s until some time in the 1990s. The overall result would be somewhat more Americans than most demographers have been expecting — and another set of unanticipated problems and benefits.

—THE WASHINGTON POST

Mating and Mischief

Eskimos, like other hunting peoples, had as a centerpiece of their nuptial ritual the abduction of the bride. At worst it was a cruel occasion, although wives often staged later abductions to get clear of an unhappy marriage and into the igloo of the man they had preferred. At best it was a loving ceremony, a ritual resistance of calculated blows bestowed by a young woman on a man of her choosing, while her mother kept watch to see that she did not value herself lightly but put on a respectable show. Then there was the flight by sled across the snows, in which she, as quick as he, raced beside their dogs to be sure no fictional pursuers caught up with them — a betrothal they could laugh over when they grew old.

Among some birds, the female watches competing males beat their wings, fan their tails, present food to her or collect nesting material. Nighthawk and woodcock males engage in soaring, spiraling, volplaning displays, with sound effects. But falcons climb the sky, dive and gyrate together as a pair — side by side, the two sexes, like Eskimo lovers abducting over the Arctic ice, loop the loop, sawtooth, soar and plunge again, shutting their wings. White-throated swifts, the most aerial of birds, go them one better and actually mate while whirling down in a free fall.

On vacation this season we've noticed couples matching credit cards and costumes like peacocks. Some climb mountains, submerge or spelunk, like birds diving together. Perhaps what matters in the rite of courtship is whether, at the end of these adventures, one looks back with humor, and mischief, like that eloping Eskimo bride and groom.

—THE NEW YORK TIMES

Other Opinion

UNCTAD: 'Absolutely Nothing'

As 2,000 sleepless delegates climbed onto their planes last week at the end of the latest round of negotiations between rich and poor countries, they could be forgiven for thinking, "We can't go on meeting like this." Four weeks of haggling at the United Nations Conference on Trade and Development in Belgrade, culminating in three consecutive all-night sessions, had achieved absolutely nothing.

Most of the blame for the failure lies with the rich countries, particularly the United States. For the first time the West recognized in Belgrade that its prosperity depends on progress in the Third World. But the United States, backed by Britain and West Germany, refused to accept any of the developing countries' proposals for action — maintaining

against most of the evidence, that recovery in the rich countries would automatically "trickle down" to the poor. A change of attitude in these three countries is urgent and overdue.

—The Observer (London).

Kissinger Will Survive

The attempted assassination of Henry Kissinger by Seymour Hersh is as likely to affect Mr. Kissinger's historical prestige as Robert Welch's discovery that Dwight Eisenhower was a secret member of the Communist Party. Mr. Kissinger desired strenuously to be active in the formation of public policy. This should be thought no more surprising than a revelation that Arthur Rubinstein sought to perform publicly on the piano.

—Columnist William F. Buckley Jr.

No Knowing What First Deaths Portend

By Stanley Karnow

WASHINGTON — I had a particular reason Friday for visiting the Vietnam Veterans Memorial in Washington. It was just 24 years since July 8, 1959, when the two men whose names head the list of dead were killed. I was a correspondent in Vietnam at the time.

I summoned up this remembrance of things past because the monument on the Washington Mall promises to become a stage for demonstrators who, recalling the Vietnam War, either oppose or support the Reagan administration's policies toward Central America.

The demonstrators were out there the other day, shouting at each other. Some commentators accused them of defiling the memorial by turning the site into a scene for protests. I disagree.

In my opinion the analogy between Vietnam and Central America is very thin. Nevertheless, I think the issue deserves to be debated publicly, and even noisily, lest the nation find itself involved in another foreign conflict without knowing what exactly happened — as was the case in Vietnam.

The two names topping the monument — Dale R. Buis and Chester M. Ovnand — would have meant nothing to me had I not been present when they perished. And, I confess, they would have slipped from my memory had not some 60,000 other Americans died in Vietnam in their wake.

It would have seemed utterly incredible to me on that steamy day in Vietnam nearly a quarter-century ago that the casualty list could reach such proportions.

I had recently arrived in Asia as chief correspondent for Time and Life magazines, and was then on the first of dozens of trips to Vietnam. Insurgents were just emerging to challenge the South Vietnamese regime. They were called "Red guerrillas." The term "Vietcong" was not yet in use.

A few hundred U.S. military advisers had been assigned to train and equip the South Vietnamese army, but signs of serious trouble were rare. Then, on the evening of July 8, 1959, the incident occurred

at a camp near Bien Hoa, 20 miles northeast of Saigon. I drove there next morning to gather the details.

Six of the U.S. advisers stationed there had settled down in their mess after supper to watch a movie, "The Tattered Dress," starring Jeanne Crain. As one of them rose to change a reel, guerrillas crouched at the windows raked the room with automatic fire, slaying Buis and Ovnand. Captain Howard Boston of Blairburg, Iowa, was wounded.

A couple of other American military men had actually died in Vietnam before. Lieutenant Colonel A. Peter Dewey of the Office of Strategic Services, the precursor of the CIA, was killed in Saigon in September 1945. And a daredevil pilot, Captain James McGovern, was shot down in 1954 while flying supplies to the French during the war.

But Buis and Ovnand were the first to perish during the "Vietnam Era," the official U.S. euphemism for the war that was never formally declared. Thus their names figure on the memorial. Ovnand's, incidentally, is misspelled "Ovniand" on the monument, an indignity the Pentagon promises to correct.

My dispatch to Time magazine earned only modest mention. Nobody could have imagined then that some 3 million Americans would serve in Vietnam, a remote place that most of the U.S. public was unable to identify on the map.

Nor did anyone envision the holocaust that was to devastate Vietnam during the next 16 years of war. More than 4 million Vietnamese soldiers and civilians on both sides — roughly 10 percent of the entire population — were to be killed or wounded.

Traveling in the northern part of Vietnam recently I observed neat rows of whitewashed slabs in every village cemetery: the tombs of the communist soldiers. They were empty. The bodies had been bulldozed into mass graves in the South, where they had fallen in battle.

The graves of the South Vietnamese dead were harder to locate. America's allies had also suffered dreadfully, but most of those slain were buried in family plots. There are no monuments to them today in Vietnam — or anywhere else.

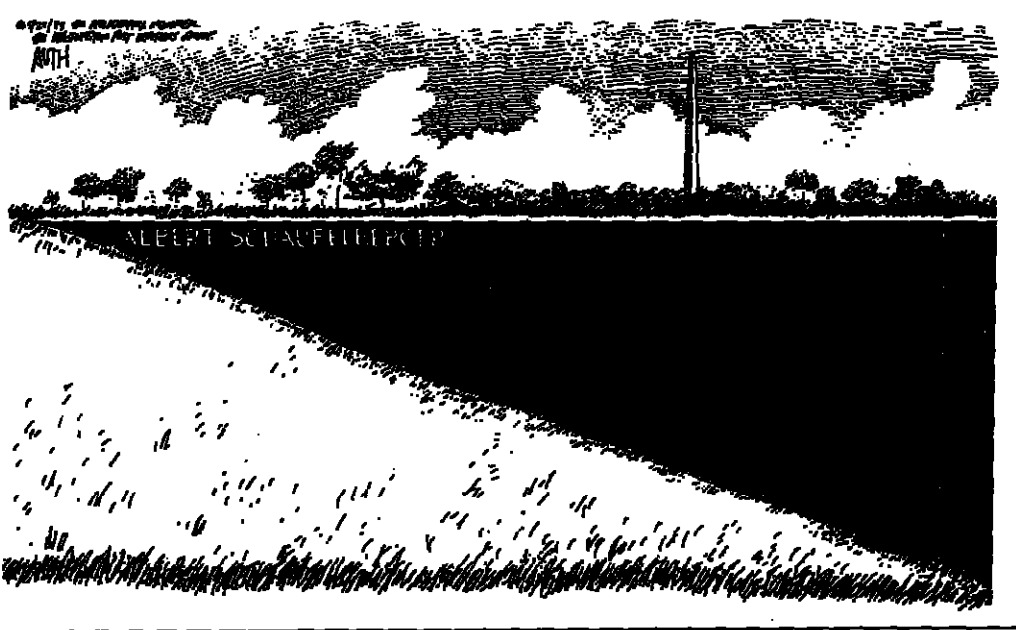
I do not intend, by evoking these recollections on this morbid anniversary, to suggest that history is going to repeat itself. I would submit, however, that the course of history is often unpredictable.

President Reagan repeats ceaselessly that in no circumstances will he commit U.S. combat troops to Central America. I believe him to be sincere, as I believe that Lyndon Johnson was sincere when he said in 1964 that he would not send American boys to Southeast Asia.

Events caught up with Mr. Johnson, compelling him to betray his pledge. Mr. Reagan will also be confronted by hard choices.

Whatever the president does, he ought to be aware of the potential consequences beforehand — and so should the American public. Blank checks to the president to wage war are a high price to pay for monuments to the dead.

Tribune and Register Syndicate.



The Need for a United Europe Remains

By Flora Lewis

BERLIN — Common Market Europe has cried "wolf" so often that scant attention is paid nowadays. But a seminar at the Aspen Institute in West Berlin on what can be done to advance the European Community showed how far the goal of integration has receded.

For a generation after the Treaty of Rome was signed in 1957, such talk was always about what new initiative might be launched, but now nobody dares or dares to propose a significant step. The arguments are about how to keep the Community from unraveling.

At the last summit meeting in Stuttgart, government heads adopted a "Solemn Declaration on European Union." It made no waves, since there was no reason to suppose the brave words would stir more than dust as they dropped into filing cabinets. A good deal more importance was attached to another extension of the deadline for reforming the sickly budget to December of this year, and to a new quarrel about whether the promise of a hefty rebate to Britain depends on a reform agreement or not.

The clear fact is that member countries no longer think of themselves as partners in a great enterprise called "building Europe." Each country concentrates on how to get a better deal for itself in the existing half-built structure.

It has become part of the routine when Europe is discussed to deplore the failure to inspire youth, the coming generation that didn't live through the distress that made union seem a necessity as well as an ideal. That is something to worry about, because without momentum there will be decay.

But no wonder the cheery are dying. For example, at their 1981 Luxembourg summit, with nothing else they could agree about, the leaders formal-

ly decided the color of a long-promised European passport. They chose purple after a big hassle because no member country's passports are that color. Two years later, not one has been issued and there is no assurance that one ever will be.

The truly monumental achievement has been that after a millennium of what many have come to call "Europe's civil wars," war between Community members has become unthinkable. That is now taken for granted. But nationalism is reviving in the absence of a sustained drive to greater unity.

This is a time when the new West German chancellor could speak out in Moscow about the persistence of the divided German people's desire for reunification. There is a kind of historic endurance contest going on. If the European dream fades before the German dream comes nearer to materializing, the world will look very different and even more insecure.

No doubt can exist about Chancellor Kohl's dedication to the European Community. But to hold his nation's allegiance, community must mean more than trade and vacations. Germans are increasingly obsessed with a quest for national identity. There was a time when "European" was expected to become the substitute. No longer.

West German analysts say their compatriots, especially the young, feel they have become objects instead of actors in the drama of history. That is an important element in opposition to deploying American missiles. It is an emotional frustration that goes beyond pacifism and fear of Soviet reprisals or U.S. bombing. It comes from a feeling of having lost any leverage on their own destiny.

Some French analysts say it is important to treat Germany yearning for a sense of nationhood as legitimate, so that it can develop in a climate of cooperation with neighbors instead of appearing as an inevitably hostile alternative to community.

There are even a few in France and America who say West Germany should have its own atom bomb so that its people can feel responsible for their defense, as France and Britain do, not to speak of America and the Soviet Union. You don't hear Germans say that, but the time may come if serious arms control looks unattainable.

Charles de Gaulle blocked supranationalism and insisted on a "Europe of fatherlands." His prophecy has fulfilled itself, although not as he intended — with a subservient, pliant West Germany accepting France as Europe's natural leader. By example he helped create the resilience beneath the surface of West German life.

These are deep currents, not directly involved in the daily preoccupations of the world's harassed leaders. But they are carving out the course in which the future can run or meander. The course requires keeping them in mind.

There is not much America can do to spur Europe onward. It can, and sometimes does in petty ways, add to the drag that slows it down. Endless reassurances has not killed suspicion that America prefers a divided Europe and secretly breeds the idea of a united, powerful partner.

But that must remain America's goal. Isolation is neither safe nor feasible as the world has evolved. The only way to ease the burden of being a superpower is to share it. It is up to the Europeans themselves to take the needed steps. If they fail, it is a foreboding for America, too.

The New York Times.

Letter From Oslo: A New Majority but Fewer Jobs

By Per Egil Hegge

OSLO — Norway went into the parliamentary summer recess with something the country has not had for 12 years: a majority government. Two small non-socialist parties, the Center Party and the Christian Democratic Party, decided it was time to change what is referred to as the "cooperation model," and said they wanted to enter the government.

They had refrained from doing so after the 1981 election and were content, until this year, to support the Conservatives without asking for cabinet posts for themselves. The Conservatives, who before could muster only 53 of the 155 positions in the Storting, now head a coalition with a 79-76 majority.

The small parties' initiative caught the Conservative leader, Prime Minister Kaare Willoch, by surprise. But then he took control of the negotiations and conducted them skillfully. He got more praise from his socialist opponents for his astute tactics and

cool play than he normally does from his loyal supporters.

Mr. Willoch was able to retain for the Conservatives the four cabinet posts that are regarded as the most important: the prime ministership for himself, and the ministries of defense, finance and foreign affairs for, respectively, Anders Spangstad, Rolf Presthus and Svein Stray.

The leader of the Christian Democrats, Kaare Kristiansen, was known

to want the foreign affairs portfolio. But he is viewed as being too friendly toward Israel to steer a balanced course on issues concerning the Middle East. He was named minister of transport. His party got four cabinet posts, the Center Party three and the Conservatives eleven.

The Conservatives' power was diluted slightly by the necessity, as part of the coalition bargain, to turn part of the Foreign Ministry into a new Ministry of Foreign Aid. It will be responsible for distributing aid of about 4.5 billion kroner (\$617 million) a year.

One problem the new government will have to face at home is unemployment, which rose to a rate of 3.4 percent last month. This is less than one-third the level of joblessness in neighboring Denmark, and well below the rates in the rest of Western Europe. But it is on the increase, and the psychological impact has compelled the authorities to look for ways to combat further rises.

Virtually every Norwegian politician since the war, whether in government or in opposition, has agreed on the need for full employment. So in the 1970s, when recession began to make itself felt, Norway decided to subsidize its industry until the world economy began to recover.

But even Norway, with its North Sea oil wealth, could not do this forever. As recovery kept failing to make its off-predicted appearance, the subsidy programs began eating up too large a share of the budget. The search for answers continues.

There are now 57,500 people unemployed in Norway, in a population of nearly 4.5 million, a proportion deeply troublesome to many here. Still, at a corresponding rate the United States would have fewer than 3 million people out of work, instead of more than 11 million.

Foreign diplomats in Oslo are often heard to say, "We wish we had your problems." Indeed, perhaps Norway's problems aren't so bad.

International Herald Tribune.

A Subject Thanks His King

From O.J. Hartmann-Johnsen in Eidsvåg, Norway

IN Norway we are fortunate to have a leader who is a man for all seasons, a king who is truly professional, a man's man and yet a friend to all, a fine manager of official transactions, self-effacing yet imbued with a rightful royal presence.

His Majesty King Olav V, army officer, sportsman and peace worker, was 80 years old on July 2.

He is so unique a person that one must guard against descending into panegyric effusions when trying to pay a small tribute to his achievements in war and peace. Yet we shall probably never know the full extent of his services to his country.

After finishing college he trained as a regular army officer, graduating from the Norwegian military academy in 1924. He then studied law and economics at Oxford. Fellow students remember him with affection.

He represented his country in sailing and sailing, winning a gold medal sailing in the six-meter class at the 1928 Olympic Games.

With Crown Princess Märtha, whom he married in 1929, he traveled extensively in Norway, thus getting to know the country intimately. They also represented Norway abroad, making an extensive tour of the United States in 1939. During that visit they struck up a personal

friendship with President Roosevelt and his family, and this was to be of no uncertain help to Norway in the difficult years ahead.

During the campaign in Norway in 1940, Crown Prince Olav displayed cool physical courage in helping officers to restore their shattered nerves. He ultimately volunteered to remain behind with the battered Norwegian army when it was forced to capitulate in June 1940 just after inflicting the first true defeat on the German army, at Narvik, in conjunction with French and Polish military units. However, the government requested him to come abroad.

His training and experience helped to resolve difficult problems when the Norwegian armed forces were recreated. He became their active commander and served with distinction until the end of the war, when he was one of the first to return to liberated Norway. During the happy but tumultuous days that followed, he again appeared frequently in public among his people although dangerous adversaries were still about.

Odd Nansen, son of Fridtjof Nansen, the explorer and statesman, said it was a heavy burden to be the son of a great father, so much so that he expected of one. King Olav's fa-



ther, King Haakon, was one of the greatest men in our history. Yet King Olav has achieved greatness in his own right, effortlessly, enhancing his father's stature in the process.

He has had his share of sorrows, the hardest blow being the loss of his lovely wife in 1954.

The king is virtually a walking encyclopedia of Norwegian history and geography, although he doesn't use his knowledge to browbeat anyone.

He still goes from strength to strength, fulfilling programs that would exhaust younger men. I speak for many a fellow citizen, surely, in thanking a beloved king for all his services and wishing him well.

A Pundit Party to A Debate

By George F. Will

This is the first of two articles.

WASHINGTON — A surprise in 1980 was that Jimmy Carter did not do what many Reagan aides thought he would do in the televised debate. They thought he would quote a few of the well-known, somewhat-foolish things Ronald Reagan said before he developed discretion. So at Westford, Mr. Reagan's Virginia residence, a bunch of the boys were brainstorming about how he might handle those pearls.

For example, when Patty Hearst's kidnappers demanded distribution of free food, including canned goods, Mr. Reagan reportedly said something like: "This would be a good time for a botulism epidemic."

A Reagan aide at Westford asked, "How can he handle that?" There was a pregnant pause, and then another aide stepped up. "Say it was taken out of context!"

I know about that marvelous moment because I was there. The fact that I was there is now occasioning comment, although the fact was known at the time (everyone entering Westford drove past reporters and camera crews), was reported when I appeared on ABC-TV the night of the debate, and has been mentioned in at least two books. But today's comments, which reach interesting issues, give me a welcome occasion for noting a fascinating aspect of the "debating papers" story. There seems to be an extraordinary misperception of how successful politicians function.

Begin at the beginning:

David Stockman was a friend of mine before Ronald Reagan ever heard of him. I was invited to go with him when he played the role of Carter in a mock debate. In his kitchen, he showed me some papers that he said the Reagan campaign had forwarded to him. (Mr. Stockman was not part of the campaign. He was a congressman running for re-election, and he had leaned toward John Connally for the Republican nomination.)

A cursory glance, which is all they got from me, indicated that the papers were policy statements about basic matters (arms control, the environment) distilled from old public statements by Mr. Carter and his cabinet members. I thought no more about them and never heard them mentioned by anyone.

I did not write about them because their origin was unknown and their importance was nil. In a letter to Representative Donald J. Albosta, the Michigan Democrat, Mr. Stockman says the papers were useful. I do not think he really thinks so. (If he had said they were not useful, no one would have believed him.)

I did not write about Westford because to have done so would have violated an unspoken understanding that there are times when a writer is allowed access to things he should not use as material for his writings.

Commenting on ABC the night of the debate, I said what most viewers thought — the banal truth that Mr. Reagan's need as a challenger was to prove that he could perform under "presidential" pressure, and he did. I also said that he had not been particularly surprised. He was not surprised by the interrogators' questions (more about which in a moment) or by Mr. Carter's familiar tenor.

ABC's Ted Koppel: "George, it is my understanding that you had for some time yesterday with Governor Reagan and I'm just wondering what you know of his game plan and how you think his game plan worked out."

George Will: "I think his game plan worked well. I don't think he was particularly surprised. If anything, he was surprised tonight. I would suspect, by the fact that President Carter, who on the measure issue has been rather fierce in saying that Governor Reagan's a racist, a nuclear bomb-throwing maniac, didn't do that."

An obvious face about that presidential "debates" are no such thing. They bear little resemblance to, say, the sustained, focused debates between the Illinois Senate candidates Stephen A. Douglas and Abraham Lincoln in 1858. Presidential debates are sort of simultaneous, parallel press conferences. The result is rhetorical boiler plate in response to highly general questions.

In 1980 the questions included: What would you do about urban decline? How do you feel about the use of military force? How will you balance the budget while cutting taxes and increasing defense spending? (Read Mr. Reagan's answer to that one and laugh.)

Anyone who wins a presidential nomination has been thinking — well, talking, at least — about those things most of his adult life. Preparatory mock debates are useful only for cosmetic refinements.

The Washington Post.

LETTER

Avoiding War

Regarding "Better Not to Be Dead" (IBT, July 7):

Mr. Renken's statement that it is "better to be alive than dead" is a variant on the "better Red than dead" pacifism of the 1950s and 1960s, and the "better Hitler than war" philosophy of the French left in the 1930s. The Russians' SS-20 black-missile is another attempt to subject Europe to the Kremlin's will. Weakness will merely stimulate further Soviet adventures. The best policy now is to maintain parity of strength. This approach has the best chance of avoiding war.

E.M. EVLETH, Paris.

More letters, Page 5.

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International Bond Prices — Week of July 7

Provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financiere Credit Suisse - First Boston

Plutonium that can be used in

The United States in 1978 banned the shipment of enriched uranium and spare parts to nations that do not accept full international safeguards against production of nuclear weapons. This ban has hurt

Secretary of State George P. Shultz said when he visited India this month that the United States would export reactor components to India if other suppliers could not be found. Officials here said India

The reprocessing of spent fuel from another atomic power plant, this one at Kota in the state of Rajasthan, began some months ago and is supervised by the International Atomic Energy Agency. The fuel is reprocessed at Tarapur. Atomic energy officials have said that no U.S.-supplied fuel has been reprocessed for Tarapur's use.

By John Wilke
Washington Post Service

100

sponses for the last time morning.
 must say it is not very encourag-
 Tuesday: Hundreds of children
 already dying of starvation.

The Associated Press

(93) 33-10-10
Sophia Antipolis Festival
06560 Valbonne

'Everyone Suddenly Knows Someone Who Has Been Robbed or Attacked'

1

Until the next harvest in November, "there is no possibility of improvement in the food situation without international assistance,"

Tuesday: Hundreds of children already dying of starvation.

(Continued from Page 1)

WITHOUT INTERNATIONAL ASSISTANCE, AND

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RECENT ISSUES

RECENT ISSUES

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STRAIGHT BONDS
All Currencies Except DM

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HIGHEST YIELDS —
Average Life Below 5 Years

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HIGHEST YIELDS —
Average Life Above 5 Years

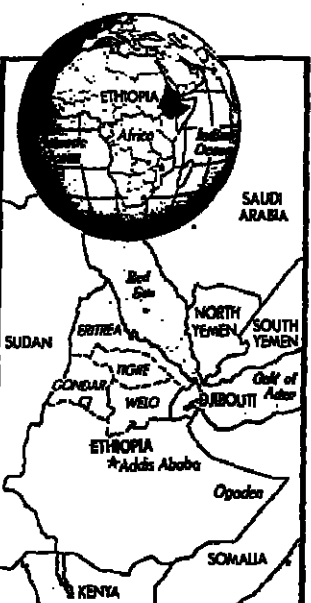
\$20	Mexico	8/34	'91	Dec	15	14.08	18.08	12.04
\$25	Railroad Finance Ex/w	9/17	'91	Apr	73	12.12	14.97	24.25
\$25	Dornier Petroleum Ltd	10			10	14.10	14.95	12.61
\$30	Iceland	12/14	'92	Feb	94	12.12	13.80	18.00
\$30	Hollandia Bay	9/17	'91	Feb	82	12.12	13.75	14.98
\$40	Hawesbury Holdings	9/17	'91	Apr	85	12.12	13.75	14.98
\$40	Gazdar	14/24	'91	Apr	85	12.12	13.75	14.98
\$45	Orinoco-Corrient	14/24	'91	Apr	85	12.12	13.75	14.98
\$125	Michigan	10	'94	Ans	83/72	12.22	12.22	11.74
122	Pennaco Sa	14	'90	Ans	74	11.11	13.91	14.56
100	Northbrook Investment Bk	12/12	'90	Ans	78/34	12.27	12.27	11.74
112	Rothschild Ind Ltd	14/12	'91	Ans	85	12.12	13.75	14.98
112	Rothschild Ind Ltd	14/12	'91	Ans	85	12.12	13.75	14.98

BEST CURRENT YIELDS

\$ 175	Mexico	18/17	95 Jul	99	19.11	18.89
\$ 175	Panama	17/12	94 Mar	96	19/7	18.88
\$ 130	Mexico	17/12	95 Mar	97	19/7	19.26
\$ 60	Cameroon Fed Elec	13	97 Mar	70	26.55	26.55
\$ 60	Arizona Pk Fld	17/17	98 Mar	99	13/7	13.97
\$ 60	Golf Streets Overseas	17/17	98 Oct	110	14/6	13.97
\$ 100	Spain Franc Mol Prem	16/14	94 Mar	96/112	11/6	13.33
\$ 60	Consolidated-Souths	17/17	98 Mar	101	13/1	13.25
CHF 58	Rail of Quebec	18	97 Oct	115	12/8	12.81
CHF 40	Burnell Inc	17/16	94 Dec	114	12/8	12.81
CHF 40	Stromberg-Siemer Accor	16/14	94 Mar	110	10/8	10.85
125	Road	16/14	94 Mar	111	12/1	12.25
\$ 60	Hydro-Quebec May	16/12	97 Mar	112	12/25	12.09

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(Continued on Page 17)

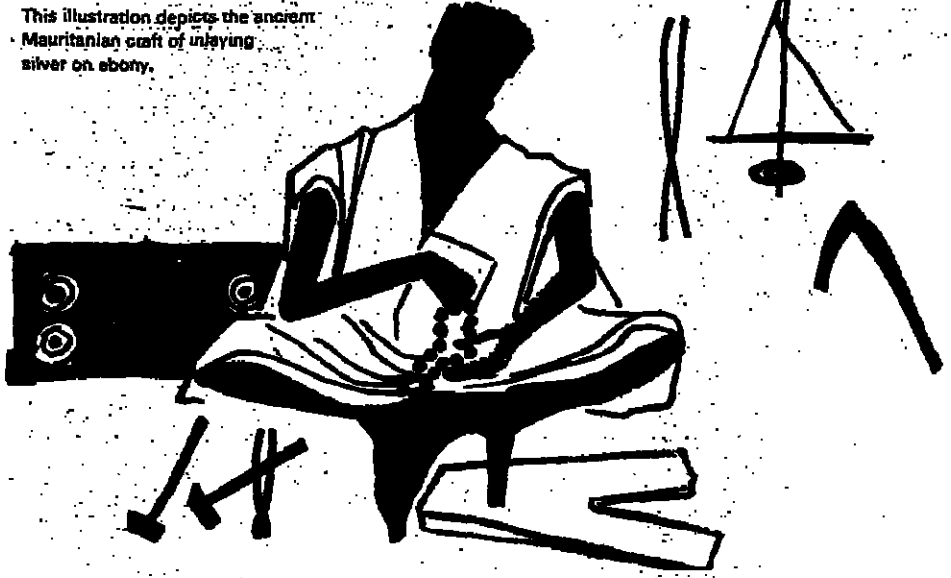


"Warnings were issued in September, October and March, each time a little more frightening," he said. "But as I open my report on responses for the last nine months, I must say it is not very encouraging."

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This illustration depicts the ancient Mauritanian craft of infusing silver on ebony.



République Islamique de Mauritanie

الجمهورية الإسلامية الموريتانية

Islamic Republic of Mauritania

MAURITANIA

The Vth Anniversary of the Military Coming to Power in Mauritania

AN INTERVIEW WITH THE PRESIDENT

Q. Briefly, your Excellency, would you comment upon the economic situation in Mauritania over the past 5 years.

A. First, before drawing up a balance sheet, we must remember the state our country was in on the eve of 10 July 1978. The economic situation was disastrous, which is an euphemism for saying that the country was on the verge of bankruptcy. Payments had ceased because the banks were empty. A fratricidal and unjust war was gobbling up our meager resources and the assistance we were receiving from friendly countries. The difficult international situation and the climatic problems peculiar to our region completed a sombre picture. Our essential problem was to avoid a worsening situation. We had started upon a process intended to restore peace, and it was within this framework that on 5 August 1979 we signed an agreement in

Algiers which marked the end of this stupid war which set us against our Saharan brothers. On the economic level several important projects were started, once the anarchy which had hindered the exploitation of our resources had been checked. Our economic program is beginning to show noticeable results. Another aspect of our activity consists of preparing our citizens for a truly democratic life; it is within this context that structures for education of the masses have been created, with the objective of making known and explaining the meaning and scope of democracy to our citizens, their stake in it and the constraints resulting from it.

At this stage I am able to tell you that I am very satisfied with the progress and results of the structures for educating the masses. As to the aspect of your question concerning the accession to power of civilians, I would say to you that the objectives of the pro-

cess which started on 10 July 1978, once peace had been secured and the economic situation has improved, is the establishment of democratic institutions. In relation to this objective, the structures for education of the masses constitute a temporary phase.

Q. What is the current situation in the Sahara and the state of relations with your neighbors?

A. I would remind you first that the Sahara problem is a problem of decolonisation, and that two fundamental principles arise from this fact: respect for the borders inherited from the colonial era, recognised by the Organisation for African Unity in its Charter, and the right to self-determination. Consequently we believe that any solution which does not take these factors into consideration is doomed to failure. This is why we have supported resolutions of the



Lt. Col. Mohamed Khounza Ould Haidalla
The President of the Comité Militaire de Salut National, Head of State

United Nations and the OAU relating to this subject, and we have gone to all summit meetings to plead for peace in our sub-region and for understanding between two brotherly peoples, the Saharans and Moroccans. With regard to our relations with Morocco, I would reiterate first that Mauritania

the RASD. Our relations with Morocco have been difficult due, in part, to the Sahara question, but above all because of a policy of expansion from which, with regard to us, the Moroccan Monarchy has never deviated.

Q. Your country's economy is still weak, the financial situation is not healthy, but you are trying to rectify this — how are you progressing?

A. Mauritania is an underdeveloped country which has just come out of a disastrous war, which was very badly conducted, and is suffering from the repercussions of the world crisis and a drought. We have taken the necessary austerity measures, and are launching various important projects. We are working towards the creation of conditions favourable to industrial development which will make us less dependent on the international market for finished and semi-finished products, as well as enabling us to define ways and means likely to lead to our self-sufficiency in food, and finally to get us used to relying first and foremost on ourselves.

Generally speaking, our economic and financial position compared with that of other countries in the same stage of development as ourselves, and particularly our neighbours who live under the same climatic conditions, clearly shows that our

recovery plan has had satisfactory results.

Q. It is said that there is an uneven distribution of wealth in Mauritania, and there are still people in need...

A. Since 10 July we have worked towards the establishment of genuine social justice, by undertaking a series of measures intended to further unite the different communities making up our people for the development and well-being of our country. The proceeds from our national wealth, the waste of which has been halted, have been used and will continue to be used in priority sectors such as health, national education, or even in the rural sector for the construction of dams, roads and the drilling of wells. A suitable structure providing the necessary resources has been established to assist us. Through the distribution of food to people living in the areas suffering from the drought, a collective effort of national solidarity in turn supported by structures for education of the masses and all proceeding from our wish for self-reliance has been directed towards our most deprived citizens.

Q. What are your relations with France?

A. I have had several conversations with French President François Mitterand since

he came to power. Whether in Paris or here in Nouakchott, we have always emphasised the friendly nature of relations between France and Mauritania. Socialist France has always proven to be a friend of Mauritania, respecting our independence and sovereignty. Cooperation between the countries is equally excellent in other respects.

Q. What are the results of the measures taken in 1981 concerning the social sector?

A. Firstly I would say that, today, the people of Mauritania are equal on all levels with regard to rights and duties. Schooling is open to all, as well as all positions in the public or private sectors. Application of the measures adopted in 1981 is particularly effective in the rural part of the country, and this is why we have committed ourselves to undertake land reform capable of giving everyone a means of production which up till now has belonged only to our ancient master: the land itself.

Q. Tea is vital in the life of Mauritania, but you have forbidden it in offices... why?

A. The prohibition of tea is due to the fact that our citizens go to the office to work and provide service.

This reportage has been prepared for the International Herald Tribune by M. Fathi Mahouachi, our Délégué Générale for francophone Africa

SNIM S.E.M.
SOCIÉTÉ NATIONALE INDUSTRIELLE ET MINIERE

Société d'Economie Mixte
au capital
de 9.059.500.000 UM
R.C. Nouakchott 4579
NOUAKCHOTT
RÉPUBLIQUE ISLAMIQUE DE MAURITANIE

IRON ORE — the Backbone of the Economy

The 'motor' driving the industrial development of Mauritania

by Robert Bibra

The Iron Ore industry is controlled by SNIM S.E.M., a company that sprang from a government parastatal. SNIM was formed in July 1972 as a wholly owned government corporation to develop the rich ores of Kédia, but when it was seen that Kédia resources would be quickly exhausted partners were looked for to back the GUELBS project with its almost infinite tonnage of iron ore, but needing half a billion dollars funding in its initial phase. In July 1972 SNIM S.E.M. was formed; 71% of the shares were still held by the government but the remaining 29% was sold off to the private sector. The working capital was set at over 9 billion ouguiyas (53.95 ouguiyas to the US\$ — Source: *The Wall Street Journal* 1st July), and 5 foreigners were admitted to the controlling Conseil d'Administration consisting of 12 members. The Minister of Mines and Energy, Major Athie Hamath, is the overall boss, and he is reporting to him the President of SNIM S.E.M., Mr. Mohd. Salem Ould Lekhal. Between them and the General Manager, Mr. Baba Ould Sidi Abdellah, they brought into the syndicate twelve organisations — mostly Arab — to launch/fund the Guelbs project.

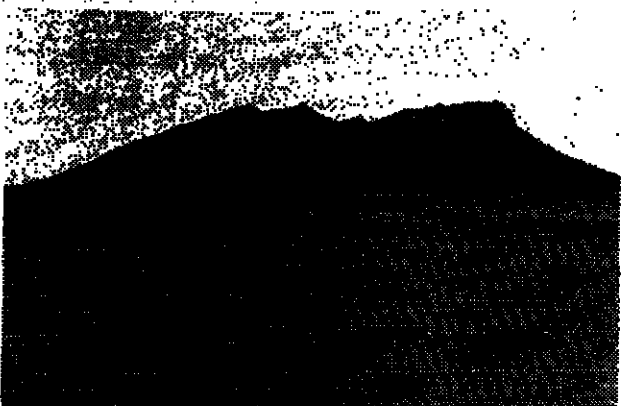
Amounts noted (in millions of \$):

- \$20 million — Abu Dhabi Fund for Arab Economic Development
- \$35 million — Arab Fund for Economic and Social Development
- \$12 million — Banque Africaine de Développement (African Development Bank)
- \$30 million — Banque Européenne d'Investissements
- \$60 million — World Bank
- \$50 million — Caisse Centrale de Coopération Economique (France)
- \$50 million — Banque Française de Commerce Extérieur
- \$50 million — Banque du Paris et des Pays-Bas
- \$45 million — Kuwait Fund for Arab Economic Development
- \$5 million — OPEC Special Fund

orders were placed December 1st 1979 and SNIM S.E.M. is on schedule for the first Guelbs production start-up in one year's time — i.e., July 1984, the culmination of a project that was first discussed as far back as 1967.

SNIM S.E.M. inherited significant assets from SNIM:

- a 400 mile railway line for Nouadhibou (Port Etienne) to Zouérate, alongside the Kédia mines;
- a deep water 'minerals' port, now being further developed for larger ships by dredging (kindness of the Chinese);
- mining towns like F'Derik and Zouérate;
- a trained mining work force and workshops;
- peace with the Polisario guerrillas who had been disrupting the rail service to Nouadhibou; the end of Mauritanian-Polisario hostilities, in ex-Spanish Sahara (Rio de Oro), known as Western Sahara and presently occupied by Morocco. This was very important as the railway line follows along Western Sahara's southern and eastern frontiers.



The Guelbs-el-Ghazal

GUELBS — Here is a picture of a black topped quartzite hill, a 'GUELBS'. These hills can be over 580 meters tall and are composed of 35% to 42% iron-magnetic quartzites, at least one and a half thousand million tons in the Tiris area (West and East), stretching out in the desert to the north-east of Zouérate. The first of these hills of iron ore-bearing rock — and consequently resistant to erosion — to be brought into production will be EL RHEIN (560 meters). The rate of production between start-up and July 1984 will rise to 6 million tonnes (MT) a year. By 1991 the rate will be 15 million tonnes, all by open cast mining, i.e., slicing away at the hill (GUELBS), 12 MT from EL RHEIN and 3 MT from the second Guelb to be brought into production, OUM ARWAGEN. The guelb iron ore-bearing rock will receive its first treatment before being sent to Nouadhibou — 88 million tonnes of guelb rock has to be dug out of the hills to give the desired 15 million tonnes of iron ore concentrates for despatch to Nouadhibou for export.

The Eastern guelbs were chosen because of their coarser crystallization, huge workable reserves, relatively high iron content,

ease of 'treatment' and proximity to the existing railhead. The first two guelbs selected will give at least 12 million tonnes per annum for export for the next 20 years. American and European tests in the mid-Seventies showed that GUELBS ore is good. The Zouérate pilot plant supplied samples of guelb concentrates to France, Belgium, the UK, Spain, West Germany and Japan with excellent results.

GUELBS iron ore shipped from Nouadhibou should secure the same prices as KEDIA iron ore — \$19.82 a tonnes in 1982. Now that the USA, Japan and West Europe seem to be pulling out of recession, demand and price should move ahead too. KEDIA ore was always profitable for SNIM/SNIM S.E.M.; even in 1982 when sales slipped to 7.65 million tonnes, SNIM S.E.M. made a handsome profit — nearly double 1980's \$10 million when 8.7 million tonnes (MT) were shipped (see the *Export of Ore* chart). Austerity measures, taken in time, saved SNIM S.E.M. from going into loss in 1982, although sales per month dipped below 300,000 tonnes in one month, and capacity for 1982 exceeded 13 MT. GUELBS iron ore will come on sale by July 1984 and should reach 14 to 15 MT by 1990, when KEDIA iron ore production will be phased out.

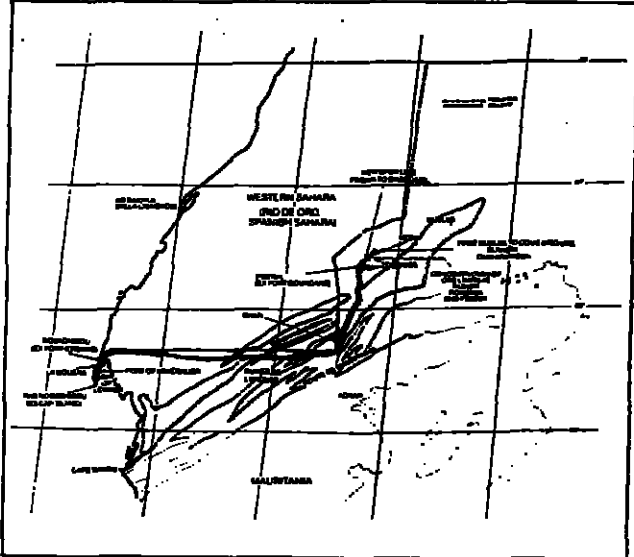
Exports of Mauritanian Iron Ore	
1977	8.4 MT
1978	6.5 MT
1979	9.3 MT
1980	8.7 MT
1981	8.9 MT
1982	7.6 MT

The RAILWAY — The 'Port Minéralier' and the 400 mile railway line were built to export the rich iron ores of Kédia d'Ijil (64% iron bearing rock); now a spur line 40 kilometers long is all that is needed to reach the El Rhein and Oum Arwagen GUELBS. Obviously this spur line will be extended into the desert as other GUELBS are brought into production — presently it runs from F'Derik north-east to El-Rhein.

From the Nouadhibou peninsula the railway line runs due east and passes to the north of the Dunes of AKCHAR in the Adrar until reaching the old 'Route de Mauritanie' at Choum Cherchik. Here the line turns north-north-east to follow the Route de Mauritanie camel track from Char to F'Derik (ex Fort Gouraud). Here the track heads off eastwards again to the railroad at Zouérate — 400 miles from Nouadhibou and alongside the Kédia deposits.

The PORT — Nouadhibou (ex Port Etienne) is built on the peninsula that used to be called Cap Blanc and is now RAS NOUADHIBOU. When Mauritania signed a peace treaty with the Polisario in Algeria, it gave up the area of Western Sahara (Rio de Oro) it had occupied excepting La Guera. This small fishing port is on the Atlantic side of the peninsula, whilst the Port Minéralier is directly opposite on the eastern facing into the Baie du Levrier. La Guera effectively guards the Port Minéralier, but Mauritania will give it up when peace is restored in this area.

The headquarters of SNIM S.E.M. is at Nouadhibou, and it is a stronger company now than before the world recession and the disrupting Polisario raids on the railway line — more indigenous (90% of wages/salaries are paid to Mauritaniens — the ex-pat complement has been cut to the bone without concomitant loss of efficiency), tougher, more market orientated, the 6,000 SNIM S.E.M. employees are directed at IRON ORE and its export, but indigenous steel production is also growing. The iron furnace and rolling mill at Nouadhibou are saving imports and creating a



useful export income from steel reinforcing rods sold particularly to Senegal (CAO duty free) and to Mali and Ivory Coast. The amount of shipping in the harbor has declined — worldwide recession, fewer and lighter cars, fewer buildings, reduced stocks — but is still considerable: 125 ships loaded iron ore concentrate at Nouadhibou in 1978, whilst today probably 8 ships load iron ore a month. Remember though that these ships are bigger, after the Chinese dredging activity, and the overall tonnage is bigger too.

SNIM S.E.M. has been relieved of the embarrassments of the Akjoujt copper mine debts (SOMINA), but still keeps its interest in copper, gypsum, explosives and oil products production. The Phosphates of Bofal in southern Mauritania — 130 million tonnes — are ready for development and BRGM (Bureau de Recherches Géologiques et Minières) of France is making a study.

LOANS — Mauritania started repayments on its GUELBS loans in April last year, but repayments do not become onerous before GUELBS ore production should have reached 15 MT per annum in 1991. Repayments then should run at \$50 million a year. The revival in the world industrial economy is coming at just the right time for Mauritania, and the GUELBS funding should not have to be rescheduled. There is already the capacity to jump sales back to over 9 MT per annum although projections do not envisage this overseas sale figure before 1990.

Major customers — France, Italy, Belgium and the UK are Mauritania's major customers for iron ore:

	1978		1979
France	2.20 MT	France	3.09 MT
Italy	1.45 MT	Italy	1.44 MT
UK	.88 MT	Belgium	1.21 MT
Belgium	.51 MT		

Courtesy of the Arab-British Chamber of Commerce, there is further information about the companies actually working on the GUELBS project. SOCOMINE of France has been in on the project from its inception. Work includes installing equipment for open-cast mining, building a road from the mining town of Zouérate to El Rhein and a railway from El Rhein to F'Derik where it will link with the existing Zouérate-Nouadhibou line, installing telecommunications, water and electricity supply and building about 500 houses.

Contracts have so far been awarded to three French firms — Entreprise Dodin, Dragon and Five-Cail Babcock — for the railway, road and crushing mills. GMT of Italy will install power supply for the ore enrichment plant.

A feature of the El Rhein GUELBS development will be the 23 huge 100m ton capacity trucks that will carry the iron ore to the new spur railroad close by. This new rail spur will be equipped with 6 new locomotives each of 3,300 HP and 264 new mineral wagons with a further 11 equipped for transport of liquids.

Training course at C.A.R.M. in Nouadhibou.

\$16 million — Overseas Economic Cooperation Fund (Japan). \$338 million in all for a project estimated at \$500 million. SNIM shareholders have also contributed in providing backing for the \$500 million allocated to the first phase. The project is proceeding to schedule; 37 contracts have already been signed. The first

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Fishing — the Traditional Way . . .



Arrival of the fishermen



Unloading the fish



... and the women divide the catch . . .

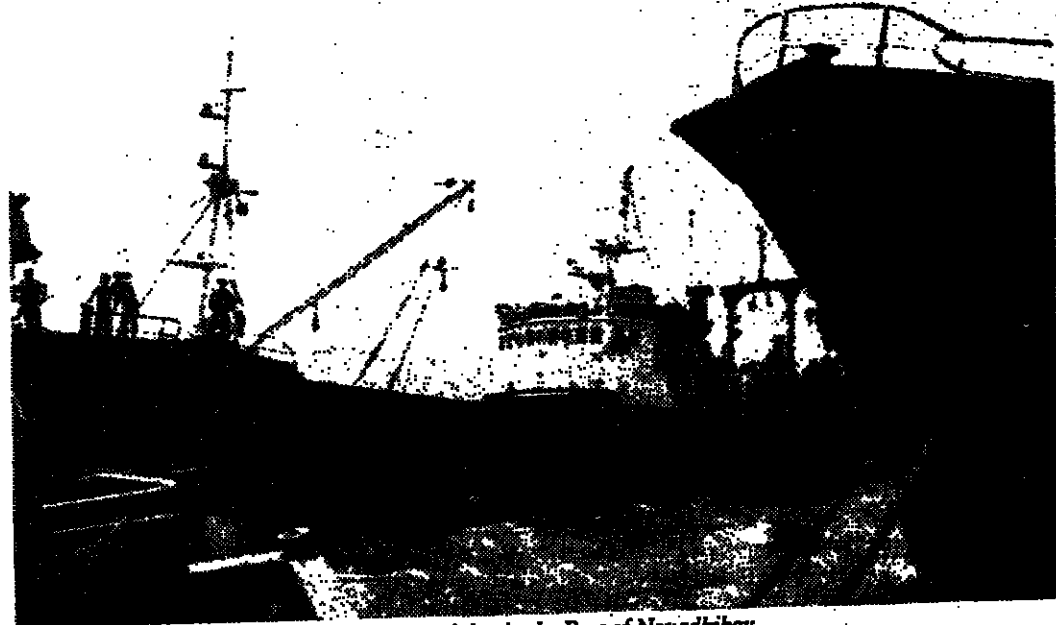


... sell the produce on the spot . . .

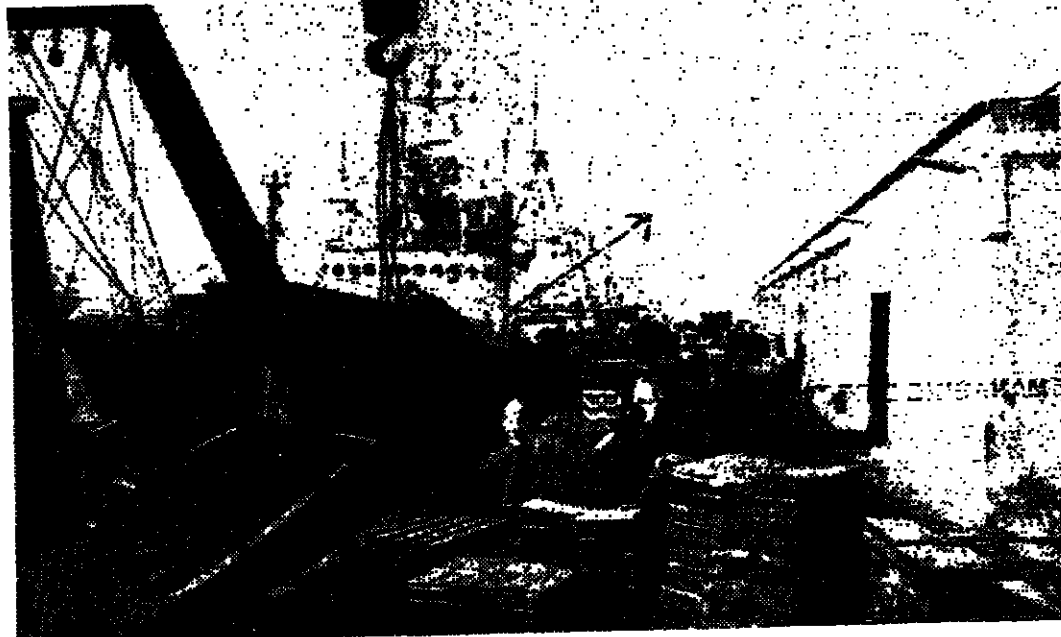


... and the 'restaurant' is just near by . . .

. . . and the Modern Way



A factory ship arriving in the Port of Nouadhibou



Unloading packaged produce



Produce is ready for export

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Boulevard Maritime

Boite Postale 248

Tél. 22-16

Nouadhibou

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Mr. Mohamed Salem Ould Sidha - President of FIAP (Fédération des Industries d'Armement et de Pêches) Federation of Industries for Shipping & Fisheries

In 1979 the CMSN decided upon a new fishing policy based mainly on the exploitation of available resources while preserving them, as well as the creation of a semi-industrial and industrial shipping business and the development of means of supervision. Within this framework the national management is calling upon all friendly countries to participate in Mauritania's efforts with a view to developing this sector.

Balance Sheet

October 1979-January 1983: In 3 years and 3 months the situation is as follows:

From a base of a Mauritanian fleet of three ice-trawlers, they now have 30 ice-trawlers and 57 freezer boats; that is to say, the objective of the formation of a national shipping industry has been realised in part and we are continuing to develop it. With regard to industrialisation, in 1979 there were 3 land-based companies: Sofrima, Mafco and Imapac. Of these 3, only Sofrima is still operating. There are a number of achievements today, including the cold-storage facilities of Sipeco (Industrial Fishing and Marketing Company), MSP (Mauritanian-Scandinavian Fishing Company), Comacop (Mauritanian-Korean Fishing Company), Simar (Mauritanian-Rumanian Industrial Company), Sali-maurem (Arab Mauritanian-Libyan Company), and finally, a cold-storage worksite is being constructed by the Government and has a capacity of 4,500 tons. There is a firm order for 17 ice-trawlers being constructed in France. We can say, therefore, that this addition



Mohamed Salem Ould Sidha, President of FIAP

constitutes a major success for the new fishing policy. Within this same context other measures have been taken: the obligation to land all catches made in the exclusive economic area of Mauritania, and to carry out marketing from Mauritania.

Our concern now is to develop the above mentioned achievements by creating the necessary infrastructure. There is also the satellite telecommunications project which will be a major support for this policy, as well as projects for the building of a naval repair yard designed to facilitate the navigation of vessels under competitive

conditions compared with neighboring ports. Therefore all these efforts, supported by the whole Administration, and particularly by the Mauritanian banking system, have been carried out in a very short period of time.

Objectives

All this involves the strengthening and developing of our achievements, the building of the necessary infrastructures and developing an industrial policy for the sector, while at the same time reinforcing and developing the Mauritanian traditional fishing industry. It will also involve the creation of genuine processing industries giving the entire operation greater added value.

Foreign Reaction

This decision, as it has been taken, is first of all a matter of sovereignty. It is not directed against anyone; its concern is to nationally exploit the country's maritime resources, in its own interest. The Authorities take full responsibility for this decision, as well as for maintaining the rights of the sea which, while recognising the exclusive economic zones of the coastal States, requires rational exploitation of resources on the part of these States. What is involved here is the interest of foreign ship-owners who may not find the conditions proposed by Mauritania very convenient. What is also involved is their refusal to comply, the reasons for which are not our responsibility. We are always open to any form of cooperation in the mutual interest of the parties concerned. Mauritania has always called for any form of cooperation which respects our new fishing policy and which serves our mutual interests — any other allegation with regard to Mauritania has no basis in fact.

Relations with ECOWAS and CEAO

Our action is based on contracts and trade within the context of all African countries — we are working towards the objectives defined by the organisations of ECOWAS and CEAO, to wit, a strengthening of trade. We are working with our opposite numbers to create a framework for the harmonisation of policies for the exploitation of our maritime resources to the benefit of the peoples of the region. With regard to our relations with international bodies, FIAP (la Fédération des Industries d'Armement et de Pêche — The Federation of Shipping and Fisheries) plans to organise a seminar with CCI (Centre de Commerce International) Center for International Commerce for the leaders of CEAO to promote the export of sea products from Mauritania this year.

We have very good relations with, and are members of the Arab Union for Fish Products whose headquarters are in Baghdad (Iraq), which was created in 1976. This year Mr. Mohammed Salem Ould Sidha, representing Mauritania, takes the chair, and will hold it for 4 years. Its role is to mobilise all the energies of the Arabs for a rational exploitation of Arab resources, strengthen trade, develop Arab investments in this sector, create

fishing companies, carry out studies on resources in the Arab world (the Union has already set up an Arab Fishing Company whose offices are in Jeddah). Moreover we have a study under way for the establishment of a factory to manufacture netting, and another study for the opening of an Arab office to market sea products. Finally sectorial studies are being made on the resources of the different Arab countries.

Finance

CURRENCY: the ouguiya (UM) 53.95 ouguiya to the US\$ (guide-line rate. Source: The Wall Street Journal, July 1st, 1983).

This new currency was introduced on 29th June 1973, separated from the franc zone and non-convertible. The ouguiya is divided into 5 khoums, the value of which has been fixed at 0.016 gr of refined gold, that is, 5F CFA (until the devaluation of the French franc). Exchange control applies to all countries, including those in the franc zone.



Port of Nouadhibou — top right, the "freezing plants" and warehouses of SOFRIMA

BANKS: La Banque Mauritanienne pour le Développement et le Commerce (BMD) the Mauritanian Development and Trade Bank, established in 1974. Capital: 80 million UM (including the State 59%, the Société Tunisienne de Banque 20%).

— La Société Mauritanienne de Banque (SMB) — The Mauritanian Banking Corp. Capital: 100 million UM (the State 55%, Société Générale 27.50%).

— La Banque Internationale pour la Mauritanie (BIMA) — The International Bank for Mauritania, established 1974. Capital 150 million UM. (State: 70%).

— La Banque Arabe Libyenne Mauritanienne pour le Commerce Extérieur et le Développement (BALM) — (Mauritanian Arab Libyan Bank for Foreign Trade and Development). Capital: 200 million UM (State: 51%, Libya: 49%).

— La Banque Arabe Africaine en Mauritanie (BAAM) — The Arab African Bank in Mauritania, established 1974. Capital 150 million UM (the State: 51%, Arab Bank of Cairo 49%).

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شركة المثلجات الموريتانية

SOCIÉTÉ DES FRIGORIFIQUES DE MAURITANIE

SOCIÉTÉ ANONYME AU CAPITAL DE 16.000.000 OUGUIYA
R.C. NOUADHIBOU - 43

NOUADHIBOU - (R. I. DE MAURITANIE)
BOITE POSTALE 36

21-70
21-71
21-81

TELEX: 423 "SOFRIMA"
ADRESSE TELEGRAPHIQUE:
SOFRIMA NOUADHIBOU

صو فرما

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ص ب ٣٦ هـ ٢١٧١

تلكس صو فرما ٤٢٣
الانواليب الطرافي:
صو فرما انواليب

MANAGING DIRECTOR

M. Mohamed Salem O/Sidha

SOFRIMA COMPANY ACTIVITIES

A joint-stock company with registered capital of 16,000,000 UM — of which the State of Mauritania is one of the principal shareholders. — The "Société des Frigorifiques de Mauritanie" was incorporated in 1988 to operate the publicly-owned refrigerated installations under concession.

These installations which are located on the "Jadial" fishing wharf at Nouadhibou, comprise the following:

- a building 85 m. long by 80 m. wide;
- six tunnels for freezing to -45°C, with a capacity of 50 t/c;
- four cold stores at -25°C, with a total capacity of 4,000 cu. m., for frozen fish;
- a cold store at -25°C with a capacity of 480 cu. m. for food;
- a cold store at 0°C with a capacity of 450 cu. m. for fresh food;
- an ice-making plant producing 80 t/d of ice blocks and 24 t/d of crushed ice;

- a cold store for ice, with a capacity of 800 cu. m.;
- a fish-offloading hangar of 772 sq. m.;
- administrative and service buildings;
- the acquisition of a fleet of 4 ice trawlers 32-38 m. long and of 10 ice trawlers 15 m. long;
- the manning and operation of ice trawlers;
- the processing and freezing of fish of all kinds;
- the manufacture and sale of ice to ship operators and the public;
- the storage of all kinds of product;
- the marketing of fish: sales to Japan (sardine, cuttlefish and octopus only), to Europe and other African countries for all other products;
- Projects under study:
 - the development of ship-ping operations;
 - increasing the company's capacity for freezing, storing and ice manufacture;
 - diversifying production.



M. Mohamed El Mokhtar Ould Zamel, Minister of Information and Telecommunications

Telecommunications System in Mauritania

The telecommunications infrastructure in Mauritania, both internally and externally, is very poor, and this situation could be extremely damaging for the country. It is certainly unthinkable that the regions should remain isolated from one another, and that the country should not be part of the larger international communications network.

The most important objective set by the Department of Information and Telecommunications is to carry out a telecommunications program which will consist of the following:

- A Type A ground station as well as a transfer center will be constructed in Nouakchott. The station will be connected to the international telecommunications satellite system, 'Intelsat'. Thus Mauritania will be linked to the entire world by direct-line telephone, telex, broadcast radio and television. The financing for this project has already been acquired, technical studies have been carried out, and at present contracts are being signed and work is about to begin.
- Three Type B domestic ground stations will be set up in Nouakchott, Nouadhibou and Zouerate, financed by Algeria and FAOE (la Fédération Africaine des Organismes d'Ingénieurs — the Federation of African Organizations of Engineers). This project will link Mauritania to the Arab telecommunications system, 'Arabnet', and Mauritanian economic centers will be connected to each other and the world.
- A network of intercommunications using wireless beams will be set up in the south and south-east of the country. This will connect Nouakchott to Selibaby via Boutlimit, Aleg, Boghé and Ksédi. Equally another wireless beam will link Selibaby and Kiffa. Financing for most of this project has already been acquired, and Mauritania is actively seeking the remaining funds.
- This year communications with Senegal will be automated, those with France will be improved and a line to Spain will be opened.

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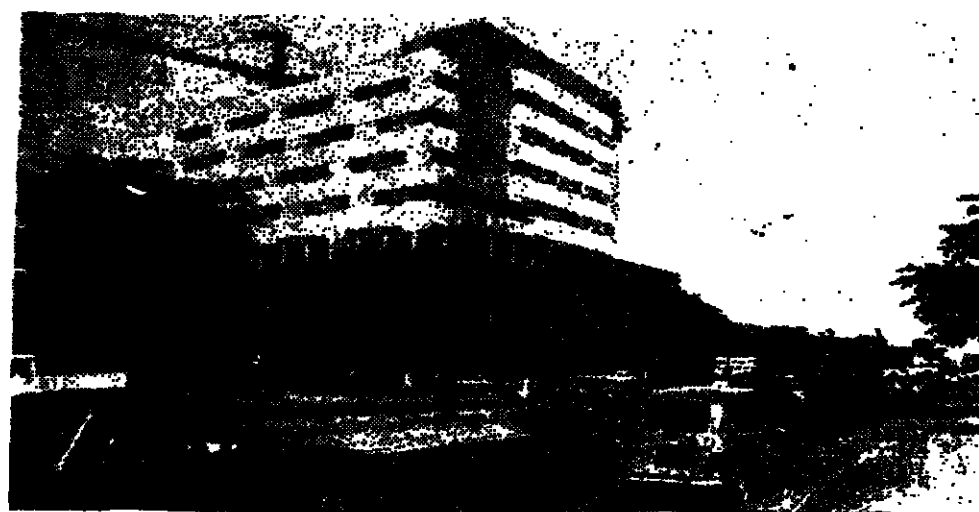
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MAURITANIA ON ROAD TO ECONOMIC RECOVERY

Emphasis on development of the rural sector

Through his legendary calm and wisdom, his royal, proud and imposing bearing, President Khouna Haidallah recalls one of those fierce warriors of the desert. He extricated Mauritania from the war in the Sahara and, with his team, was able to found and augment the members of the CMSN ("Comité Militaire pour le Salut National" — "Military Committee for National Safety"), a plan for economic recovery which

permitted a reform of public finances and a reduction of his country's budget deficit by almost half. The Mauritanian economy was based on mining resources which represent around 80% of its export sales. The economic recovery plan fixed as its priority the development of the rural sector, fishing, small and medium enterprises, and has also planned a rescheduling of the foreign debt, the percentage of which in relation to

exports has been stabilised at the present time at around 33%. In spite of a deterioration of the trade balance, the balancing of accounts has recovered as a result of monetary capital contributions and transfers without involving other parties. A plan for financial recovery was established a few years ago with technical assistance from France. Mauritania, which benefits from very large foreign aid coming from the Arab countries and the OPEC countries, appears to be committed to the road of economic recovery and its policy of reform should restore confidence to investors.

Agriculture

The arid nature of the soil and climatic conditions

BRGM) in a search for copper in the region of Diagui, and phosphates in the regions of Aleg, Boghé and Kaedi. In 1978 SNIM became a mixed economy company with a capital of more than 9 billion UM (ouguiya), of which the State is the majority holder with 51%. SNIM's present objective is to make operational a new iron mine in "Guelbs Rhein" which will replace present workings which are almost exhausted. Reserves are estimated at more than 2 billion tons of ore with a 37 to 40% content. The putting into operation of the small d'Azuazile deposits (10 million tons) and Seyela (8 million tons) is part of the Guelbs project. Cumulative production should reach 14 million tons.

Agic consortium has carried out tests. A modern refinery with a capacity of 1 million tons/year of refined oil has been built in Nouadhibou and is in the testing stage at the present time.

Foreign Trade

The economic crisis which has affected earnings from exports of iron ore, as well as the rise in costs of imports, have hit the trade balance very hard. For years the trade balance has been recording an increasing deficit. Iron exports, which have fallen in tonnage and value because of the world crisis in the iron and steel industry are in the process of recovering, and recorded a net increase in 1982 as well as at the beginning of this year.

tries Corporation) are being examined:

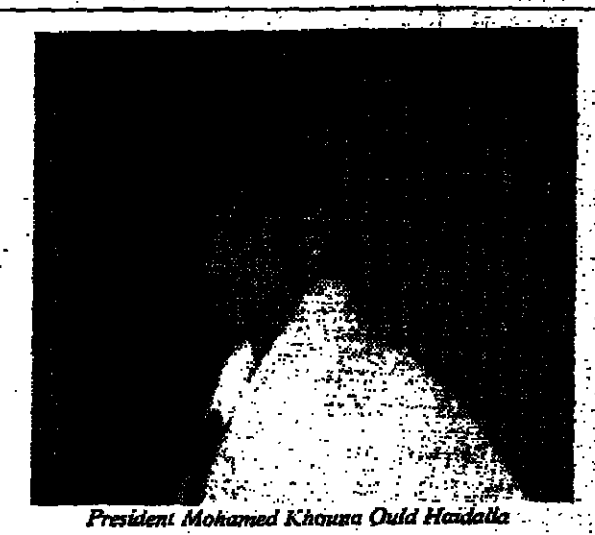
- the creation of a copper complex in Nouakchott (capacity — 30,000 tons a year), a refinery for precious metals and a production unit for sulphuric acid,
- the creation of an iron and steel complex in Nouadhibou (capacity — 2 million tons) for ore-based pellets coming from the Guelbs in the Zouérate region.

Mauritania has enormous reserves of fish, and below is information on present exploitation of this sector:

- Pelagic fish (surface fish): 700 to 800 thousand tons (Information representing stock of which withdrawals are allowable).
- Demersal fish (benthic or bottom-dwelling — Cephalopoda) — 150,000 to 180,000 tons.
- Specialised fish (tuna, lobsters, shrimp, etc.): 150,000 tons.

Total production is close to 1 million tons a year. Fishing licences have been withdrawn for bottom-dwelling fish. Previously foreign boats came to fish and went off again without any control; now, and following a decision of the CMSN in 1979 (the 2nd phase), all products must be unloaded and marketed from Mauritanian ports. The problem of monitoring waters still remains, and we must find adequate means to improve the situation. In order to avoid competition between nationals and regular sea farmers, licences may again be issued only for specialised fish and pelagic fish. At the present time we have a storage capacity of 8,000 tons, but in August 1983 this capacity will have reached 22,000 tons (several companies are installing cold-storage complexes). With regard to our equipment, we have 57 refrigerator boats belonging to Mauritania for bottom fishing, and around twenty ice vessels, without counting traditional fishing as well.

Up to now there have only been contracts between State companies or private companies. The sector is not closed to foreigners. We open our doors to brotherly and friendly countries; we would like our friends who provide the funds to come



President Mohamed Khouna Ould Haidallah

and invest in this sector, and we give them full guarantees of profits, security and repatriation of their profits.

— We are in discussion with the EEC for an agreement over fishing. (All European ship-owners may operate in Mauritanian waters).

— We have contracts with Japan, South Korea, East Europe, Rumania and soon Yugoslavia and Sweden, and are in the process of preparing a long-term strategy for management of this sector, on which Mauritania bases great hope for its development.

الموريتانية - الاسكندنافية للصيد البحري
Mauritano-Scandinave de Pêches S.A.



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Tél: 445
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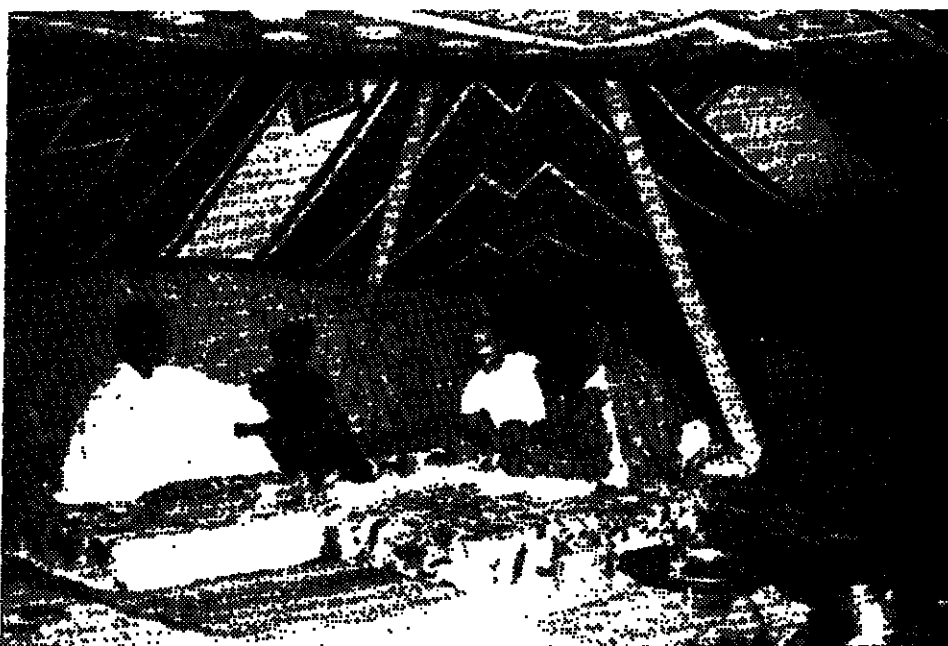
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The Mauri-Scandinavian Fishing Corporation is a limited Mauritanian company specializing in:

- Fishing
- freezing
- marketing of all produce from the sea
- octopus
- sole
- sardines and sardinelles
- dogfish
- mackerel, etc.

Given the high quality of its products, MSP has managed to penetrate European, French and Japanese markets.



How the traditional tent is cherished in the life of the Mauritians, and how they are jealous to keep their originality and customs!

constitute a serious handicap for the development of agriculture: 92% of the land is in fact sandy and permeable, or shingly and sterile. Cultivated areas are of the order of 210,000 hectares, 110,000 ha. of which are in the eastern part of the country, 40,000 ha. of diers (river crops) and 60,000 ha. of walo (subsistence crops). The Government has established development of the agricultural sector as a priority objective, which up to now had been neglected, and the country is suffering from a chronic food deficit, aggravated by years of drought.

Mines

SNIM (Société Nationale Industrielle et Minière — The National Industrial and Mining Corporation), established in 1972, is responsible for the search for and processing of mining resources. Its department of geologists and technicians is cooperating with various partners (including the

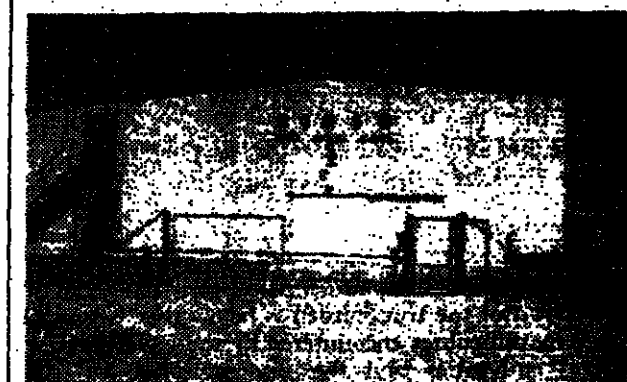
SNIM is also exploiting the gypsum reserves of Sebka de N'Drahancha (estimated reserves of 4 billion tons, with an ore of more than 90% of calcium sulphate hydrate). Other mining resources exist in Mauritania, such as: *Sax Salt*, where studies are under way with a view to exploitation of the salt marshes located south of Nouakchott (extraction capacity estimated at 20,000 tons per annum). *Phosphate*, deposits of which have been explored in the Aleg-Kaédi region by a consortium including SNIM (50%), BRGM (25%) and the Rumanian company Geomin (25%). *Oil*, the search for oil, which began in 1960, has covered three different basins: the Atlantic basin (11 borings, 8 of which have proved positive); the Tindouf and Taoudeni basin (2 borings, of which one suggests gas; in the open sea at is cooperating with various partners (including the

Industry

There are few processing industries in Mauritania, and the Government is trying to encourage and develop the fishing industry. A new investment code was promulgated in 1979 and the right of transfer of capital and earnings is guaranteed to foreign investors. Two projects of SAMIA (Mauritano-Kouétienn-Arab Metallurgical Indus-



M. Mohamed Ould Sidi Ali, Minister of Fisheries



The freezing plant at Nouadhibou

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A GENERAL REVIEW OF MAURITANIAN PUBLIC FINANCE

Mauritanian public finance, in common with other countries of former French-speaking Africa, is based on the Decree of 30 December 1912 concerning financial regulations for the colonies, updated in 1953.

On tax matters, Resolution No. 6 of 23 December 1957 constitutes the source and basis of Mauritanian Tax Law, which is similar to that existing in France before the big 1948 reform.

In particular, this tax system includes the old French direct taxes commonly called the "four old ones": movable property tax, land, professional and licence taxes.

To this was added a capitation tax (the minimum tax), a sort of lump-sum tax on income which, therefore, did not take account of the tax-paying ability of taxpayers. Finally, so-called "modern" taxes linked to trade and industrial activities starting in the country were instituted. Besides "port" charges (import and export), turnover tax and other specific or "ad valorem" taxes.

As a result, tax on industrial and commercial profits (IIC in French) and other so-called scheduled taxes (relating to a given category of income) as well as general income tax were in turn created.

This system has been gradually amended to take account of the country's development and the leading role which has devolved on taxation, not only for the financing of public expenditure but also for economic development and social justice.

The present tax system is characterised by increasing coherence, in spite of the continued imbalance between direct and indirect taxes, to the benefit of the latter.

The majority of the old taxes were eliminated or redistributed. Scheduled taxes (5 in number) are still in force, but their rates, having reached record figures in 1977, are tending to decrease from year to year.

General income tax of the English "income tax" kind, the progressive nature of which has just been improved by the new tax code, is now only directed to those who have big incomes, since the majority of average incomes are less than the amount provided as basic personal allowance, due to the application of the system of "tax relief in respect of dependants".

The tax burden still remains very high, however, particularly for salaried workers who have no means of avoiding tax (declared by a third party and withheld at source).

The theoretical tax burden is, in fact, 33% in relation to GDP. But the true burden is below this, because of the many difficulties encountered by the issuing and collecting authorities and the disorganisation of economic operators which stands in the way of receiving reliable statements of account and income.

In the face of this situation, the public authorities, moved by a concern for strictness of management and strict financial orthodoxy, have adopted measures since 1978 to reorganise the position of public financing, both at the level of receipts and of expenditures.

An economic and financial stabilisation plan was prepared for this purpose with the assistance of the International Monetary Fund (I.M.F.). Its three main points are:

- Reduction of the budgetary deficit
- Reduction of the balance of payments deficit
- Strict selection of investment projects with priority for productive sectors.

I. Reduction of the Budgetary Deficit

With regard to expenses: The thrust has been toward cuts in appropriations and respect for them once they are carried out.

For 1983, appropriations have not only been determined by a renewal of last year's figures, but above all after the elimination of expenditure which is not strictly necessary. The only increases made relate to planned staff training and debt servicing.

The cause of this increase, which is, moreover, 5% down in comparison to the 1982 budget, has not been linked to present management, but constitutes one of the consequences of the heavy burden of the inheritance from past management.

Such a result confirms the extent of the austerity effort being made when we realise that, up to 1978, the rate of increase of expenditure was between 15 and 20% each year.

This austerity policy will not only be maintained but will be more strongly applied by better allocation of resources and effective management of financial systems.

This policy has already permitted a restoration of a positive savings level since 1981 (around 3%) and a 50% reduction in the budgetary deficit since 1978.

With regard to receipts: Many steps have been taken, but the results are less than forecast.

The main task at present of the Finance Department is to provide the management of taxable income and tax



Water is hard to find in Mauritania, and the authorities are making admirable efforts to improve the situation.

collection in order to permit the State to achieve its objectives for a budgetary balance in 1990.

In 1982 a new general tax code was promulgated, as well as a new customs tariff.

The year 1983 will see the application of measures directed towards an improved assessment of taxable income and towards providing better collection of the same by strengthening the tax services and reactivating the activities of the General Finance Inspectorate.

It is during this year that the latest measures concerning the landings of fish, caught in Mauritanian waters at Nouadhibou, may give considerable results by improved customs receipts through an effective monitoring of cargoes.

II. Reduction of foreign deficit

This will certainly result from a reduction in Government expenditures, as well as import restrictions on certain luxury products.

The fall in the price of iron resulting from a lowering of demand, in turn resulting from the crisis in the Western iron and steel industry, risks making these effects inadequate for the purpose of significantly reducing this deficit. However, the export of fish, the price of which has been maintained at acceptable levels, gives rise to great hopes.

III. Strict selection of investments

The austerity preached at the level of public finance will in no way compromise the country's economic development. Its objective is rather to reduce waste and the style of living of the Government. It is aimed at a judicious use of available resources. Our very limited resources force the country to a very strict selection of projects and give priority to productive ones.

The recent start-up production by the majority of industrial units, the future of which was already committed (oil refinery, sugar centre, various fish factories) justifies a *posteriori* this option.

However, the big infrastructure projects started before 1978 have been continued (Nouakchott Port, Nouakchott-Nema Road). The main investments have involved the productive sectors (mines, fishing, other industries). Investment increased by around 20% in 1982 to reach 35% of GDP.

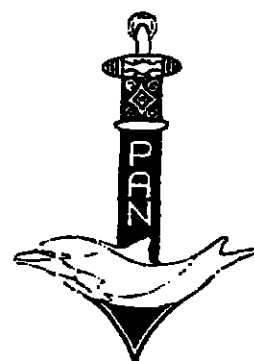
The continuation of economic and financial recovery will be pursued in 1983 by new investments where there is no doubt concerning profitability, particularly in the fishing sector. This could accelerate and facilitate the recovery of public finances and balance of payments.

The effort made at the Finance Department level will be directed basically towards improving the functioning and efficiency of the receipts and collection departments. This will permit expanding receipts and reduce fraud and tax evasion, which had both reached an alarming level in recent years.

Cuts in public expenditure below the present level seems quite unrealistic, but savings will be sought whenever possible.

However, reduction in, and even elimination of, the budgetary deficit within the near future cannot be achieved without a consolidation of the foreign debt, the rescheduling of which will be negotiated in the very near future. Mauritania's record in this area is quite justifiable and the credibility which the country enjoys abroad, as well as the strictness of its financial management domestically, constitute additional elements of confidence in working towards a successful outcome to these negotiations.

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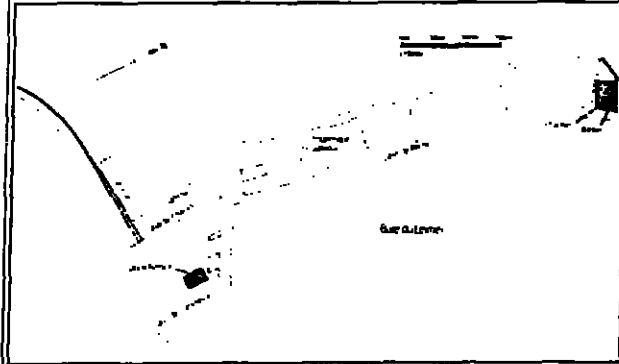
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(Caisse Nationale de
Sécurité Sociale).
Tél: 52932

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Boulevard Médian,
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Tél: 2179
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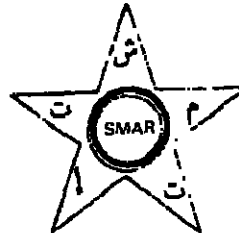
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سید احمد علی

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(Continued on Page 14)

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Eurofima	DM 100	1990	7 1/4	99 1/2	7.59	Noncallable

Eurobonds In Doldrums

(Continued from Page 13)

The Inter-American Development Bank on Monday and one of 160 million DM for the European Coal and Steel Community on Friday.

In the ECU market, France's Caisse Nationale de l'Energie is offering 50 million ECU of 12-year bonds retractable, if investors desire, to eight years. A coupon of 11 1/2 percent is indicated and managers say demand is quite strong.

The Industrial Bank of Japan is offering a 40-million-ECU issue of 10-year bonds bearing a coupon of 11 1/2 percent and priced at 99 1/2 to yield 11.59 percent. Analysts expect that this will be the final ECU issue of the summer and that the market for such paper will not reopen until September.

International Herald Tribune

Panel Says Recession Ended in Fall

NEW YORK — For months, economists and Wall Street pundits have been saying a U.S. recovery is under way. Now the nation's main arbiter in such matters made it official: The recession ended late last fall.

The National Bureau of Economic Research — a private, nonprofit research organization whose pronouncements on economic booms and busts are considered the final word by many economists — announced Friday that the trough of the downturn came last November. The recession began in July 1981, the bureau said, making the 17-month slowdown the longest of eight recessions since World War II.

"We think of the economy as being cyclical — that is, as having business cycles," said Donna L. Zerwitz, a spokesman for the bureau's Business Cycle Dating Committee, a group of leading forecasters who met Thursday night. "The trough of the most recent cycle occurred in November."

What some say is noteworthy about the bureau's declaration is that it differs from the consensus among leading economists. Many, including some in the Reagan administration, think the economy touched bottom last December or January.

Why the difference? "The economy still appeared to be weak in December and into 1983," said Allen Sinai, a senior economist at Data Resources Inc. in Lexington, Massachusetts. "The recovery was so narrowly based that it didn't show up in a broad-based way in a lot of statistics."

Miss Zerwitz ascribed the difference to the various ways in which the bureau and other economists gauge the economy.

Market Slows for Summertime

Carl Gewirtz

International Herald Tribune

PARIS — The syndicated-loan market prepared to move on to summertime last week with the merger operations for the European Community and Spain now completed and just a handful of smaller loans being prepared for offering.

The EC's \$1.3-billion jumbo loan on behalf of France drew \$355 million in general syndication, allowing a substantial write-down of the commitments of the organizers.

The three organizers of the loan, Chase Manhattan, Deutsche Bank and Morgan Guaranty Trust, which agreed to underwrite \$100 million each, will end up taking \$35 million each on their books. The five regional co-organizers, who underwrote \$75 million each, will take \$25 million on their books.

When allocations were finally made, there was hardly enough paper to go around and lead managers who underwrote \$40 million were offered \$10 million but those who insisted were offered \$20 million. Likewise for underwriters at the \$30-million level: They were offered \$10 million but those who insisted were offered \$15 million.

Spain also fared well. Initially rumored to be seeking \$500 million, it came to market for \$600

million and increased that to \$725 million and now that the final numbers are in it is being increased yet again to \$750 million. The loan drew \$183 million in general syndication, and lead managers who initially underwrote either \$30 million or \$20 million will be taking only half that amount on their books.

The \$500-million loan for Abu Dhabi Gas, which goes into general

SYNDICATED LOANS

syndication this week, also is a success, with the seven original managers who underwrote \$71.4 million each now expecting to take only \$25 million each on their own books.

Greece's telecommunications agency, OTE, is expected to award a mandate for its \$200-million loan next week. The notable feature of this seven-year loan is that it will be the first for a Greek borrower to use the bank prime rate as the base for its interest-rate charges.

The equivalent of \$40 million will be syndicated among Japanese banks as a yen loan. The remaining \$160 million will be split 50/50 or 60/40 Libor or prime. The Greeks expect to pay a split 3/4 point over Libor and about 1/4 point over the prime rate, with a cap of about 130

points over the 90-day rate for certificates of deposit.

Also in the wings is a \$75-million financing by Irish Telecommunications. The eight-year credit is expected to be priced at half a point over Libor for the first four years and 3/4 of a point thereafter.

Sumir, the refining industry of Morocco, is seeking a \$200-million credit to refinance letters of credit for the purchase of oil. The one-year facility will carry a margin of 1/2 point over Libor.

In Latin America, Panama is seeking \$300 million to refinance the principal payments on debts falling due in this year and next year plus provide some new money. One banker, noting that Panama is not behind in meeting its obligations, described the operation as "a cleaning up exercise." The seven-year loan is expected to be priced at 2 1/4 points over Libor. Front-end fees are expected to total 1 1/2 percent.

Colombia is seeking up to \$200 million for six years, offering to pay 1 1/4 points over Libor or 1 1/2 points over the prime rate. Most important for bankers, however, is the government's willingness to accept British law as governing the loan instead of Colombian law.

In Asia, Malaysian Banking is asking for bids on terms for a \$60-million floating-rate-note issue.

Japan Says Its Exports Picking Up

(Continued from Page 13)

Japan will reach \$22 billion this year on a customs value basis, up from the record \$16.8 billion in 1982.

Recently, U.S. officials have said the trade deficit with Japan in 1983 will probably be even higher than the projected figure.

Eric A. Nickerson, chief economist of Bank of America's Asia division in Tokyo, said: "We simply cannot go on having an imbalance of this magnitude without a correction, or backsliding, of some sort."

Many Japanese recognize the risk of relying too much on exports. Haruo Maekawa, governor of the Bank of Japan, said: "Our growth should not come from the external side, from exports."

Yet with domestic demand stagnant and Western unemployment likely to remain high for many months, Mr. Maekawa conceded, "The threat of protectionism will be with us for a long time."

The sharply higher surplus that economists expect that Japan will run with the United States this year is partly the result of cyclical forces. The United States is leading the world recovery and Japan is being pulled along. Inevitably, Japan's exports will rise before demand at home picks up.

The Japanese government's somewhat passive economic policy is not without domestic critics. Japan, as the world's second-largest economy, should stimulate domestic demand, both to reduce its trade surplus and to insure a global recovery, they have argued.

"It is a dangerous policy just to sit back and wait for the American economy to start things rolling," said Nobumasa Kagami, an economist for Jardine Fleming Investment Services.

Rather than simply lifting federal spending, foreign and Japanese critics of the government's current policy suggest shifting incentives more toward consumption than savings. They suggest measures such as making interest payments on home mortgages tax-deductible, as in the United States and Britain.

"The Japanese could do a lot to stimulate the housing sector," said William V. Rapp, the commercial counselor at the U.S. Embassy in Tokyo.

The view that domestic demand should be encouraged to increase exports is apparently shared by some parts of the Japanese government. Last month, the Ministry of International Trade and Industry and the Economic Planning Agency announced that they would begin to consider such measures.

But other influential elements in the bureaucracy, particularly the Finance Ministry, have resisted any stimulative measures for fear

of increasing the already sizable budget deficit.

Furthermore, the Bank of Japan's flexibility to lower interest rates to prod the economy is hindered by the still-high interest rates in the United States. If Japan lowered its rates, the yen would weaken further against the dollar, thus raising its trade surplus by making Japanese exports less expensive abroad.

Whether protectionist pressures against Japan will intensify depends ultimately on how quickly the U.S. economic recovery will bring down unemployment, the most politically sensitive economic indicator in the United States.

If U.S. unemployment shrinks considerably, a rising trade deficit may not draw much attention. The consequences of a higher trade surplus with the United States this year are hard to foresee, according to Isao Matsumiya, a senior official in the Ministry of International Trade and Industry. But he added: "To reduce trade friction with America and Europe, we have to import more, especially manufactured goods. That is the only long-term solution."

Canada Sets Oil Program

ST. JOHN'S, Newfoundland — The federal energy minister, Jean Chrétien, announced Friday a billion-dollar (Canadian) program for nine new agreements for petroleum drilling in the Hibernia area of the Grand Banks, off Newfoundland.

SEC Panel Suggests New Merger Rules

By Kenneth B. Noble

New York Times Service

WASHINGTON — A special panel of the U.S. Securities and Exchange Commission that has been studying takeover regulations has endorsed a wide-ranging package of revisions that could lead to new government curbs on many of the tactics used in recent takeover battles.

The 18-member panel, made up mostly of Wall Street merger specialists, corporate executives and lawyers, was chartered by the commission earlier this year to recommend changes in the regulations, in part to deal with complaints that current rules favor large stockholders and make it difficult for small investors to profit from acquisitions.

Whether the regulations will be adopted remains unclear. Among the proposals in the panel's final, 171-page report, which was released Friday, is one that would restrict purchases of a target company's stock on the open market.

Another would impose restraints on the lucrative "golden parachute" contracts that generously compensate some executives of companies that are taken over. These clauses are also said to discourage unwelcome bidders who would have to assume the costly contracts after a merger.

The recommendations also include restrictions on "surprise" takeover bids, in which bidders secretly amass large quantities of stock in a target company.

Several members of the panel, as well as commission officials, emphasized, however, that the proposed rules would not significantly change the existing regulations governing takeovers and mergers.

"Basically, the existing system is pretty good, and they couldn't come up with a better one," said Barbara S. Thomas, a member of the commission. "What they did was leave the structure intact but make it more workable and faster to small shareholders in the target company."

There were indications, however, that adopting the panel's recommendations may prove a difficult and time-consuming process. The next step, SEC officials said, will be for the agency's staff to study the report and determine which proposals could be adopted administratively and which would require congressional action.

Several panel members, including the commission's chairman,

John S.R. Shad, emphasized that the proposals were intended to be considered as a package. "I think they've woven a mosaic here that has to be reviewed in its totality," Mr. Shad said.

But a congressional aide cautioned that Congress is likely to move slowly on the proposals and would not necessarily consider them as a package. He added that the recent Supreme Court decision voiding the legislative veto might make it more difficult to pass a package of revisions as comprehensive as those recommended by the panel.

In another reaction to the report, the North American Securities Administrators Association said the package "dramatically favors the hostile bidder" over a bidder that would be more welcome to the target company. The trade group called the recommendations cosmetic, and said the panel had ignored the impact that unwelcome bids could have on corporations and local communities.

The "surprise takeover" provision would require that purchasers of more than 5 percent of a company's shares notify the SEC of their intentions before the 5-percent threshold was reached. In addition, no additional purchases of the target company's shares would be permitted during a 48-hour cooling-off period.

Under current law, the purchaser of a 5-percent stake in a company has 10 days to file a disclosure form, called a 13-D, with the commission. This "10-day window" is open to abuse, the panel's report said, as buyers dash to purchase as many shares as possible between the time they cross the 5-percent threshold and when they file.

The proposed rule on open-market purchases would prevent anyone from buying 20 percent or more of a company's stock unless the additional stock was bought directly from the company or through a public tender offer.

The idea, the panel said, would be to insure a fair price for stockholders in companies that had received an offer for part of their stock. Currently, a bidder may acquire large blocks of a company's stock through private purchases as a prelude to a takeover bid.

Critics of this tactic, however, have complained that in such cases only those few shareholders who sold first would profit since they would receive a different price for their stock from shareholders who sold in the tender offer.

BUSINESS BRIEFS

Bonn Minister Says U.S. Tariffs On Steel Violate Williamsburg

BONN (AP) — Otto Lamsdorff, West Germany's economic minister, has warned that new U.S. tariffs on specialty-steel imports would have "unpleasant, also political effects."

In a radio interview, he charged that the measure violated free-trade principles endorsed by the Reagan administration at the Williamsburg summit in May and said long negotiations about the U.S. "relapse into protectionism" would have to begin as soon as possible.

On Tuesday, President Ronald Reagan announced a tariff and quota system on specialty steel designed to revive domestic steelmakers hurt by foreign competition.

WPPSS Chief Asks Congress's Aid

SEATTLE (AP) — Congressional help is needed to resume work on two Washington Public Power Supply System nuclear projects, according to Carl Halvorson, chairman of the system's executive board.

On Friday the panel voted to suspend construction on the No. 3 plant for an "indefinite period." Another plant has already been mothballed. Of five WPPSS plants being built, only one remains active. Two have been terminated, pushing the system toward default on billions of dollars in loans.

Mr. Halvorson said financing to resume work on the two mothballed plants would be impossible unless Congress allowed a declaration of bankruptcy on two terminated nuclear projects without a risk that the three surviving projects would fall into the hands of creditors.

Transamerica Cuts Hutton Stake

NEW YORK (Reuters) — Transamerica Corp. has sharply reduced its previous 45 percent stake in E.F. Hutton Co., probably in an effort to realize profits from the stock's recent appreciation, Wall Street sources said.

Transamerica declined comment on the reports. The sources said the San Francisco-based financial-services company is believed to have sold about 300,000 Hutton shares Friday.

Hutton was the third most active issue Friday with consolidated volume of over 1.3 million shares. It closed off 1/2 at 51.

U.S. Coal-Fired Carrier Christened

QUINCY, Massachusetts (AP) — The first coal-fired coal carrier built in the United States in more than 50 years has been christened. The 665-foot (200-meter) ship, the Energy Independence, was built by New England Electric, General Dynamics' Quincy Shipbuilding Division and Keystone Shipping, a Philadelphia-based firm that builds and operates U.S. vessels.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, told workers at the Quincy-based General Dynamics Shipyard: "We cannot neglect development of domestic coal and alternative energy resources because of the recent induced oil glut. This glut is not permanent, and the current scale of U.S. consumption of foreign oil is bound to increase as the economy begins to recover."

Banque Nationale de Paris



U.S. \$75,000,000

Floating Rate Notes 1987/1990/1994

In accordance with the provisions of the Notes, notice is hereby given that for the six months 11th July, 1983 to 11th January, 1984 the Notes will bear an interest rate of 10 1/4 per cent per annum and the coupon amount per U.S. \$100,000 will be U.S. \$5,366.67.

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June 17, 1983

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U.S. \$15,000,000

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Pandick Press, Inc.

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Issue Price 100 per cent.

Shearson/American Express
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June, 1983

[illegible]

Over-the-Counter

Sotles in					Net		Sotles in				
100s	High	Low	Last	Chgs	Clos	100s	High	Low	Last	Chgs	
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25	13	13	13	—	13	Artistic	143.2-16	150	11	—	
26	13	13	13	—	13	Artistic	143.2-16	150	11	—	
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Consolidated Trading				
ON NYSE Listings				
Week Ended July 9				
Symbol	Sotles	High	Low	Chgs
AT&T	4,412,000	44	40	—
Bank of Am	3,255,000	17	16	—
Bank N Per	3,255,000	17	16	—
Bank of N	3,255,000	17	16	—
IBM	3,255,000	17	16	—
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Gen	3,255,000	17	16</	

Consolidated Trading Of NYSE Listings

[illegible][illegible]

Treasury Bills

[illegible]

Mutual Funds

Casting Prices July 4, 1982			
	High	Ask	Low
Phos. 45	15.39	15.39	GMMA
Phos. 55	15.39	15.39	Grow
Phos. 65	15.39	15.39	7.00
Phos. 75	15.39	15.39	15.39
Phos. 85	15.39	15.39	15.39
Phos. 95	15.39	15.39	15.39
Phos. 105	15.39	15.39	15.39
Phos. 115	15.39	15.39	15.39
Phos. 125	15.39	15.39	15.39
Phos. 135	15.39	15.39	15.39
Phos. 145	15.39	15.39	15.39
Phos. 155	15.39	15.39	15.39
Phos. 165	15.39	15.39	15.39
Phos. 175	15.39	15.39	15.39
Phos. 185	15.39	15.39	15.39
Phos. 195	15.39	15.39	15.39
Phos. 205	15.39	15.39	15.39
Phos. 215	15.39	15.39	15.39
Phos. 225	15.39	15.39	15.39
Phos. 235	15.39	15.39	15.39
Phos. 245	15.39	15.39	15.39
Phos. 255	15.39	15.39	15.39
Phos. 265	15.39	15.39	15.39
Phos. 275	15.39	15.39	15.39
Phos. 285	15.39	15.39	15.39
Phos. 295	15.39	15.39	15.39
Phos. 305	15.39	15.39	15.39
Phos. 315	15.39	15.39	15.39
Phos. 325	15.39	15.39	15.39
Phos. 335	15.39	15.39	15.39
Phos. 345	15.39	15.39	15.39
Phos. 355	15.39	15.39	15.39
Phos. 365	15.39	15.39	15.39
Phos. 375	15.39	15.39	15.39
Phos. 385	15.39	15.39	15.39
Phos. 395	15.39	15.39	15.39
Phos. 405	15.39	15.39	15.39
Phos. 415	15.39	15.39	15.39
Phos. 425	15.39	15.39	15.39
Phos. 435	15.39	15.39	15.39
Phos. 445	15.39	15.39	15.39
Phos. 455	15.39	15.39	15.39
Phos. 465	15.39	15.39	15.39
Phos. 475	15.39	15.39	15.39
Phos. 485	15.39	15.39	15.39
Phos. 495	15.39	15.39	15.39
Phos. 505	15.39	15.39	15.39
Phos. 515	15.39	15.39	15.39
Phos. 525	15.39	15.39	15.39
Phos. 535	15.39	15.39	15.39
Phos. 545	15.39	15.39	15.39
Phos. 555	15.39	15.39	15.39
Phos. 565	15.39	15.39	15.39
Phos. 575	15.39	15.39	15.39
Phos. 585	15.39	15.39	15.39
Phos. 595	15.39	15.39	15.39
Phos. 605	15.39	15.39	15.39
Phos. 615	15.39	15.39	15.39
Phos. 625	15.39	15.39	15.39
Phos. 635	15.39	15.39	15.39
Phos. 645	15.39	15.39	15.39
Phos. 655	15.39	15.39	15.39
Phos. 665	15.39	15.39	15.39
Phos. 675	15.39	15.39	15.39
Phos. 685	15.39	15.39	15.39
Phos. 695	15.39	15.39	15.39
Phos. 705	15.39	15.39	15.39
Phos. 715	15.39	15.39	15.39
Phos. 725	15.39	15.39	15.39
Phos. 735	15.39	15.39	15.39
Phos. 745	15.39	15.39	15.39
Phos. 755	15.39	15.39	15.39
Phos. 765	15.39	15.39	15.39
Phos. 775	15.39	15.39	15.39
Phos. 785	15.39	15.39	15.39
Phos. 795	15.39	15.39	15.39

American Exchange Options

[illegible]

Banque Nationale de Paris

CAD 60.000.000
Obligations 12 pour cent - échéance juin 1993

ORION ROYAL BANK LIMITED

AMRO INTERNATIONAL LIMITED
BANQUE BRUXELLES LAMBERT S.A.
CIBC LIMITED

CONTINENTAL ILLINOIS CAPITAL MARKETS GROUP
DRESDNER BANK AKTIENGESELLSCHAFT
DOMINION SECURITIES AMES LIMITED
KREDITBANK INTERNATIONAL GROUP
LEHMAN BROTHERS KUHN LOEB
INTERNATIONAL, INC.
MERRILL LYNCH INTERNATIONAL & CO.
MORGAN STANLEY INTERNATIONAL
NOMURA INTERNATIONAL LIMITED
SALOMON BROTHERS INTERNATIONAL
SOCIETE GENERALE
SOCIETE GENERALE DE BANQUE S.A.
UNION BANK OF SWITZERLAND (SECURITIES LIMITED)

Bank of America International Limited

Bank of Tokyo International Limited

Banque Française du Commerce Extérieur
Banque Internationale à Luxembourg S.A.
Banque Paribas Belge S.A.
Banque Worms
Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft

Berliner Handels- und Frankfurter Bank
Caisse des Dépôts et Consignations
Caisse d'Épargne de l'Etat
Commerzbank Aktiengesellschaft
European Banking Company Limited
Kidder, Peabody International Limited
Mitsubishi Bank (Europe) S.A.

Deiwa Europe Limited

Hambros Bank Limited
Lloyds Bank International Limited
Morgan Grenfell & Co. Limited
Rabobank Nederland
J. Henry Schroder Wagg & Co. Limited
S.G. Warburg & Co. Ltd.

Bank Ouzbiller, Kurz, Bungenberg (Overseas) Limited
Bankers Trust International Limited
Banque Générale du Luxembourg S.A.
Banque de l'Union Européenne
Bayerische Landesbank Girozentral
Caisse Centrale des Banques de Province
Chase Manhattan Capital Markets Group
Chase Manhattan Limited
Credit Industriel d'Alsace et de Lorraine

Goldman Sachs International Corporation
Kleinwort, Benson Limited
Samuel Montagu & Co. Limited

Morgan Guaranty Ltd
The Nikko Securities Co., (Europe) Ltd
Richardson Greenshields of Canada (U.K.) Limited
Swiss Bank Corporation International Limited
Yamaichi International (Europe) Limited

Westfälenbank Aktiengesellschaft

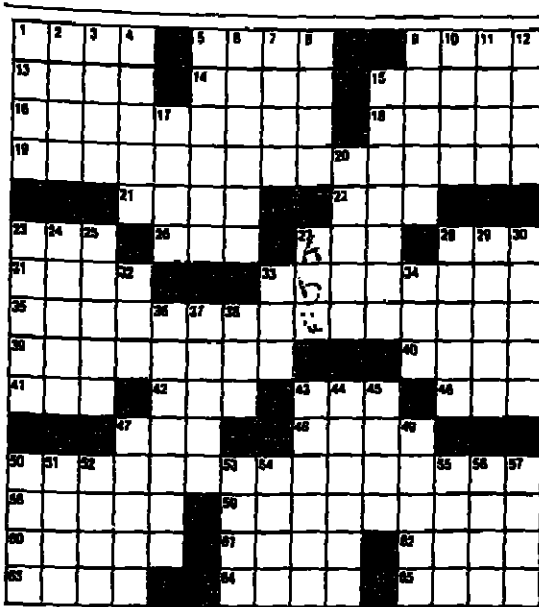
When in
Washington, D.C.
don't stop at
Blackie's
House of Beef
Adjacent to the Washington Marriott
— OUR 37th YEAR —

Prices	Aug.	Nov.	Feb.
430	10.50-13.00	30.00-33.00	— — — —
450	5.00-7.00	19.50-22.50	29.00-33.00
470	2.00-4.00	12.50-15.50	20.50-24.50
490	1.00-2.00	8.00-11.00	15.50-19.00
510	— — — —	6.00-8.00	11.50-14.50

Gold 425.00-436.50

Valeur White Weld S.A.
1, Quai du Mont-Blanc
1211 Genève 1, Switzerland

CROSSWORD



ACROSS

1 Nightingale's symbol
5 Dog or mess
9 Sheik, for one
14 Indian nobleman
15 Mascagni product
16 Airline abbr.
18 Law of a church
19 Ochlophobist's dread
22 Ballerina's knee bend
23 Islet
24 Ham's click
25 Airline abbr.
27 High place
28 God, in Genova
31 One of a well-known quartet
32 Crossing
33 Why scholars need more dollars
34 Counteractive agent
35 —dieu, kneeling bench
36 Chestnut
37 Scout or reporter
38 Gade's lap
40 Place for flour
41 Waller filters
42 Campaign topic

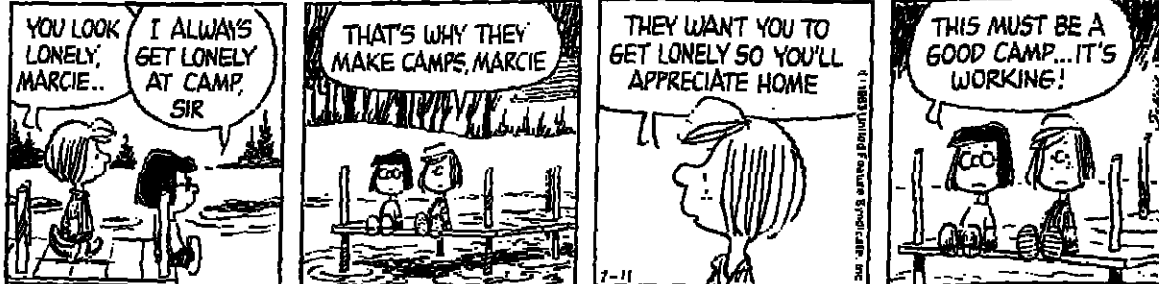
DOWN

1 Conspicuous
2 Author of "Moses"
3 Pure and simple
4 Dress up
5 —card
6 Follower of single or open
7 "The Love"
8 Alert
9 Separate
10 Vegas competitor
11 Lined up
12 Kind of stand
13 Back of the head
17 —of tears
20 Caesar's foe

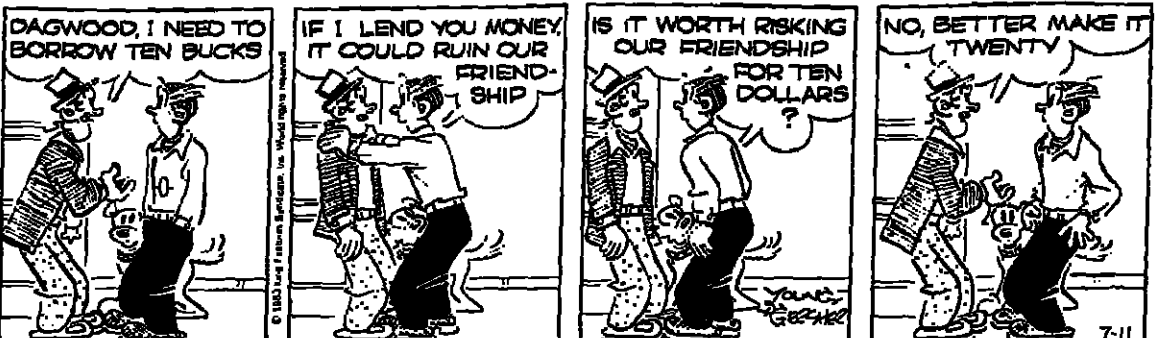
23 Transfer
24 Literary device
25 Canopies
26 Moslem's father-in-law
27 Certain dress designs
28 City in Michigan
29 Assault
30 Ransom
31 Oids
32 Lunched
33 Perquisite
34 Borders
35 Auction word
36 Seventh Greek letter
37 Contents of a baggin
38 Except
39 Kodak, e.g.
40 Carousal
41 Feature of a
42 Turkish liqueur
43 "The Mood for Love"
44 Card
45 Rainbow
46 Granular snow
47 Peruvian
48 Baron in "Der Rosenkavalier"
49 Residence robbed by a squirrel

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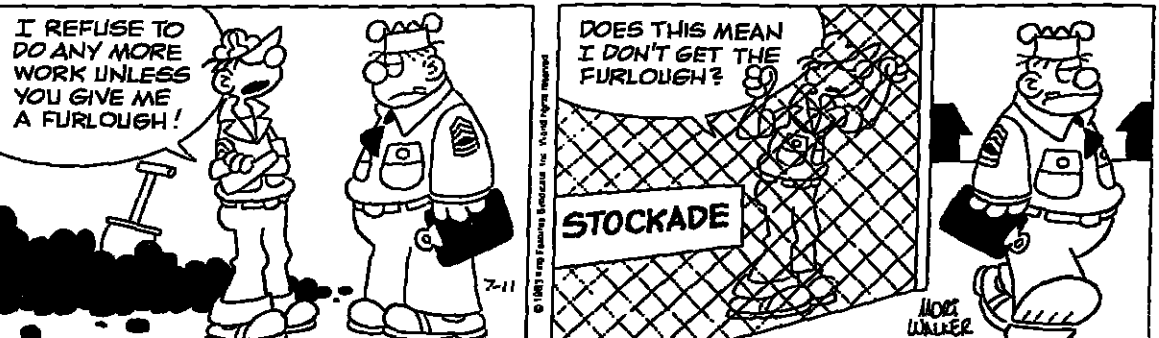
PEANUTS



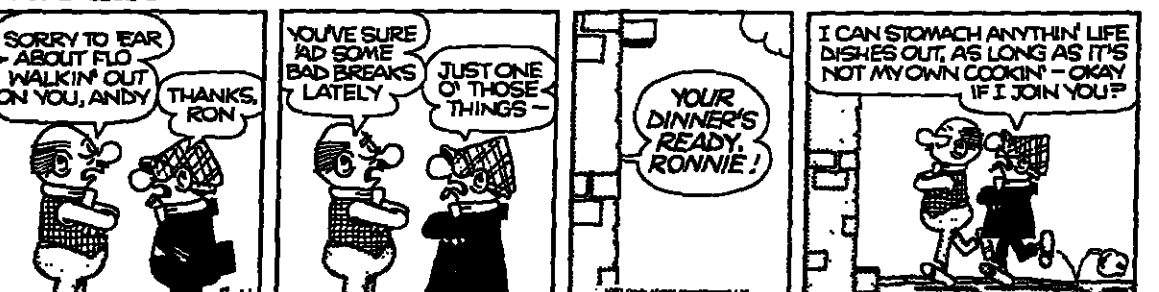
BLONDIE



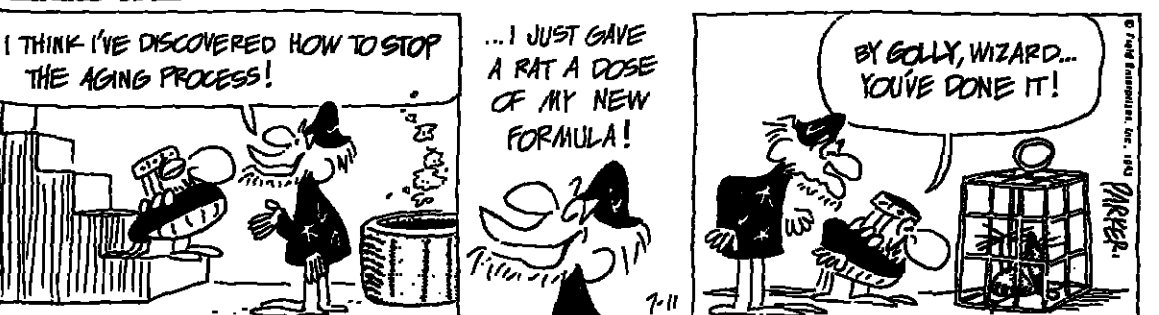
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



SPORTS BRIEFS

Madera Takes Crown From Tokashiki

TOKYO (UPI) — Mexican Lupe Madera won the World Boxing Association junior flyweight title here Sunday by halting defending champion Katsuo Tokashiki of Japan in the fourth round.

The fighters clashed heads at 1:50 of the round, Madera sustaining a cut over his right eye. Referee Carlos Berrocal called in a Japan Boxing Commission physician, who advised that the bout be stopped.

Melvin Ziegler, the WBA vice president, declared Madera the champion because he was ahead on points at the time.

Madera's record is 35-12-2 lifetime, while Tokashiki has won 18, lost two and drawn twice.

Soviet Diver Seriously Injured at Games

EDMONTON, Alberta (UPI) — Soviet diver Sergei Shilobashvili was in serious but stable condition Saturday night after undergoing brain surgery for an injury sustained in the 10-meter platform preliminaries at the World University Games.

Dr. John Read, speaking on behalf of Soviet doctors and officials at University of Alberta Hospital, said Shilobashvili, 21, underwent a 48-minute operation to relieve pressure on the brain. Read said the diver had fractured his skull and that it would not be known if he would be paralyzed until he regains consciousness.

Shilobashvili, a student at the Physical Culture College in Tbilisi in Georgia, struck the back of his head on the platform during his descent on his eighth-round dive. He was in the midst of a reverse 3 1/2 somersault in the tuck position when the accident happened.

Pooley Leader at Milwaukee Open

MILWAUKEE (AP) — Don Pooley shot his second straight four-under-par 68 to take a one-stroke lead over Wally Armstrong after Saturday's third round of the Milwaukee Open golf tournament.

Pooley's 54-hole was 11-under 205. Armstrong's second- and third-round scores were 68 and 72, respectively.

Tied at 207 were Mark Cavacchella (a third-round 66) and Dan Pohl and Ronnie Black, both with 67s.

Pooley started the day tied for the lead at seven-under 137 with Mark O'Meara, but O'Meara slipped to a 75/212. First-round co-leader Leon Hinkle had second and third rounds of 78 and 67 for a 210 total.

Nondefender Pintor Loses WBC Crown

MEXICO CITY (AP) — The World Boxing Council on Saturday stripped Mexican Guadalupe Pintor of his bantamweight title because he had not defended it for more than a year. The council approved a bout between Alberto Davila of the United States and Francisco Benjines of Mexico to determine the new champion.

After Pintor broke his jaw in a motorcycle accident in March, the WBC gave him a time extension, but "defense of the title cannot remain frozen any longer under the organization's statutes," said a WBC spokesman, who added that Pintor is guaranteed a match for the title when his jaw is completely healed.

Pintor's last defense was on June 3, 1982, when he defeated Seunghoon Lee of South Korea on a technical knockout in the seventh round.

Rookie Esasky Again Excels as Reds Triumph, 3-1

United Press International

CINCINNATI — Nick Esasky, a 23-year-old rookie summoned from the minor leagues a month ago as the eventual replacement for third baseman Johnny Bench, hit a tape-measure home run to help the Cincinnati Reds defeat the Philadelphia Phillies, 3-1, here Friday night.

It was the sixth straight game of power hitting for the 6-foot-3, 200-pound Esasky. During that span he has hit .583 — going 14-for-24 with four homers, three doubles, a triple, nine runs batted in and eight runs scored.

He has had two three-hit games and four two-hit games.

"Earlier I was hesitating as the plate because I didn't want to strike out," said Esasky, who was 2-for-3 Friday. "So I told myself to be more aggressive and not worry about making mistakes. I know I'm going to make some, but I'd rather make them being aggressive than laying back. I feel great now."

With Cincinnati leading, 2-1, Esasky opened the sixth inning with a home run over the 404-foot mark that landed in the upper seats in the center-field stands.

"It was one of the hardest balls I've hit in a long time," Esasky said, smiling. "I watched it all the way."

Joe Price (7-5) surrendered 10 hits over 8 1/2 innings before being succeeded by Ben Hayes, who retired one batter, and Bill Scherzer, who picked up his sixth save. John Denny (6-5) took the loss.

Philadelphia scored a run in the fourth when Van Housen doubled, went to third on a single by Kiko Garcia and scored on a sacrifice fly by Ivan Delos. Cincinnati went ahead, 2-1, in the bottom of the inning when Gary Redus walked, went to third on a single by Dan

Driessen and scored when Ron Oester forced Driessen.

After Esasky singled, Denny threw widely into center field on a pickoff attempt at second, permitting Oester to take third and Esasky to move to second. Paul Hogue walked to load the bases, and Denny Bilezikian's high chop infield single scored Oester.

Astros 6, Mets 2

In New York, Nolan Ryan (8-1) struck out 12 to raise his career total to 3,573 and Bill Doran's two-run homer keyed a five-run first that lifted Houston past the Mets, 6-2. Mike Torrez (3-9) lasted just two-thirds of an inning, giving up five runs.

Braves 6, Expos 5

In Montreal, Chris Chambliss hit two homers and drove in four runs to power Atlanta past the Expos, 6-5, in a battle of division leaders. Craig McMurtry (9-5) worked seven innings, with Steve Bedrosian recording his 11th save despite allowing a two-run single to Al Oliver in the ninth. Bedrosian ended the game by retiring Tim Wallach on a fly to right with two men on.

Pirates 4, Dodgers 3

In Los Angeles, Jim Morrison hit a three-run home run in the sixth, rallying Pittsburgh and John Candelaria past the Dodgers, 4-3. After Bill Madlock walked and Jason Thompson singled, Morrison put Jerry Reuss's 1-2 pitch against the left-field foul pole for his third homer of the season. Candelaria (8-6) struggled to his fifth straight victory, allowing nine of the 11 hits he surrendered and all runs by the fourth inning. Kent Tekulve took over in the eighth to record his seventh save. Reuss (6-7) lost his fourth in a row.

Padres 3, Cardinals 2

In San Diego, pinch hitter Gene Richards singled in Ruppert Jones from second base with one out in the ninth to make the Padres 3-2

winners over St. Louis. Gary Lucas, who replaced starter Tim Lollar in the eighth, evened his record at 4-4. Bruce Sutter (7-4) took the loss.

Giants 4, Cubs 1

In San Francisco, Bill Skaggs (10-7) pitched a six-hitter through 8 1/2 innings and Mike May surpassed a 1-1 tie with a fourth-inning homer to pace the Giants' 4-1 verdict over Chicago.

Martinez 3, Orioles 0

In the American League, in Baltimore, Jim Beattie pitched a four-hitter and Pat Putnam scored two runs and drove in a third to lead Seattle over the Orioles, 3-0.

Angels 9, Red Sox 3

In Boston, Rick Burleson went 3-for-4 and drove in three runs and Rod Carew had three RBIs in California's 9-3 victory over the Red Sox. Burleson is batting .571 since returning June 30 from a rotator cuff injury that shelved him for 224 games. Dennis Eckersley (5-6) lost to the Angels for the first time since May 10, 1979.

Tigers 3, A's 2

In Detroit, John Wockenfuss hit a three-run home run with two out in the eighth to rally the Tigers over Oakland, 3-2. Reliever Steve Baker (3-2) served up an 0-2 pitch that Wockenfuss put into the upper deck in left for his fifth homer of the season.

Indians 10, Twins 4

In Minneapolis, Bert Blyleven pitched a five-hitter and Gorman Thomas's three-run home run keyed a six-run first as Cleveland breezed past Minnesota, 10-4.

Yankees 9, Royals 2

In Kansas City, Missouri, Steve Balboni hit a homer and drove in three runs and Butch Wynegar batted in four runs with two triples to spark New York to a 9-2 laughter over the Royals.

Brewers 4, White Sox 3

In Chicago, Cecil Cooper hit a

BOOKS

THE OXFORD BOOK OF DEATH.

Edited by D.J. Enright. 351 pp. \$19.95. Oxford University Press, 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Anatole Broyard

"DOES nobody understand?" James Joyce asked on his deathbed, and the answer seems to be no. Yet, according to D.J. Enright, editor of "The Oxford Book of Death," we keep trying to understand, keep speculating about death. "On no theme," Enright says, "have writers shown themselves more lively." The pun implicit in the word "lively" underlines the dialectical relationship between life and death, a popular subject with contributors to this anthology.

Is it depressing to read an anthology of writing about death? This is a natural question, but the answer — yes — lies off to the side. It is not the nature of the subject that is likely to depress the reader, but what so many of our best minds have had to say about it. If we can't be grand about death, then must we be so unimaginative? There is so much banality, so much sentimentality here. As Sir Thomas Browne observed, man is "pompous in the grave."

The poets are the worst offenders, perhaps because they inflate a subject that is already too large until it becomes merely bloated. What is lacking in most cases is concreteness, and the reader is left with a bath — or bathos — of metaphors. The effect is rather like a lot of little metaphors trying to add up to a big one, like a swarm of ants trying to drag the corpse of a hummingbird.

Though it may be only a result of Enright's editing, it does seem that until very recently, poets were relentlessly conventional in writing about death. It is only with Robert Frost that we begin to feel the fact, the extreme circumstantiality, of death. "The nearest friends can go with anyone to death," he said "comes so far short." Louis MacNeice, too, brings us right up to the event when he says of a dead friend that "it is not at floodtide moments we miss him most," but "in killings/time where he could have lived it."

Bromslaw Malinowski, an anthropologist, points out that it used to be the custom of the Melanesians in New Guinea to eat a bit of the deceased person's body in order to overcome a natural repugnance to death. It might be a good thing if all of us were to read "The Oxford Book of Death" in the same spirit.

As if death were already too poetic for poetry, we find the prose writers more interesting in "The Oxford Book of Death." Wittgenstein makes us think, with "death is not lived through" and "he lives eternally who lives in the present." Samuel Johnson is not at his best with "sorrow is a kind of rust of the soul." Henry James, though, reaches a personal apothecary with "here it is at last, the distinguished thing." Virginia Woolf's suicide note to her husband is heartbreaking in its attempt to solve him of all possible self-reproach, asserting rather grotesquely that "I don't think two people could have been happier than we have been."

Alice James is wonderful when she says that suicide "bespaters one's friends morally as well as physically, taking them so much more into one's secret than they want to be taken." Dora Carrington, who otherwise had always seemed rather cold and unreachable, is unexpectedly moving when she writes of her lover, Lytton Strachey, who had just died, that "every day for the rest of my life you will be away."

Freud seems very down-to-earth in this company when he observes that it is impossible for us to imagine our own death, that even here we are present, and survive, as spectators. Trying to rescue the idea of heaven from the general insipidity that surrounds it in literature, George Santayana suggests that if we must picture heaven, then we ought to do it in terms of "faintly material ideals," one of which would be the re-encountering of old friends.

Though La Rochefoucauld warns that we must not look steadily at death, William James does it in a beautiful letter to his dying father. "You are old enough," he writes. "You've given your message to the world. If you go, it will not be an inhumanous thing." This, one feels, is philosophy at its most intimate, and its best.

While Enright has wisely spared us too many descriptions of heaven, he ought to have given us more of his reflections on the subject of heaven and hell, for his comments are among the best things in "The Oxford Book of Death." He might have said, for example, that though heaven seems to defeat literature, hell is one of its favorite subjects, that, in fact, more and more modern novels seem to take hell, in one or another of its secular guises, as their subject.

Anatole Broyard wrote this review for The New York Times.

California Arts Center

Los Angeles Times Service

COSTA MESA, California — The much-heralded Orange County Performing Arts Center held its ground-breaking here Thursday. The \$65.5-million center's scheduled opening is scheduled for slightly more than three years from now.

BRIDGE

By Alan Truscott

AS shown in the diagram, West held good cards at rubber bridge, and thought she was the beneficiary of an opposing confusion.

South, a known optimist, had a very rare hand indeed: 13 honor cards without an ace. When his one-heart opening was raised to game, he charged ahead with Blackwood. North, a timid player attempted to slow her partner down by denying an ace. Unfortunately for her, South drew a rather implausible inference from the five-club bid.

Nobody, he decided would bid four hearts with virtually no high-card points, so North must have all four aces. Failing to consider that nobody would contemplate a four-heart raise provided discards for clubs, in an animated post-mortem, West of course, could tell that the bidding was totally mud-

died. She doubled confidently, and was happy when North produced a shy, hesitant redouble.

It seemed to North that the ace of trumps she had up her sleeve had to be a good card.

West concluded, rationally in theory but wrongly in practice, that a minor-suit lead had nothing to recommend it. She considered the spade ace, which would have done her no good, and settled for a trump. South won in his hand, and felt cheered by the thought that West was well supplied with aces. He ruffed out the spade ace and returned to his hand with a trump. Dummy's diamonds were discarded on the ace. Failing spades, and the maneuver was to consider that nobody would contemplate a four-heart raise provided discards for clubs, in an animated post-mortem, South asked why North not shown her ace. North

meekly suggested that a grand slam bid missing four aces was "perhaps taking a slight chance." West ground her teeth, and tried to explain why she had not led a minor-suit ace. East, an innocent victim, devoted himself to calculating the score.

NORTH
♠ A86543
♥ 532
♦ 984
♣ 7

WEST
♠ 7
♥ A8765
♦ A876
♣ A753

EAST
♠ A87653
♥ 7
♦ A876
♣ A753

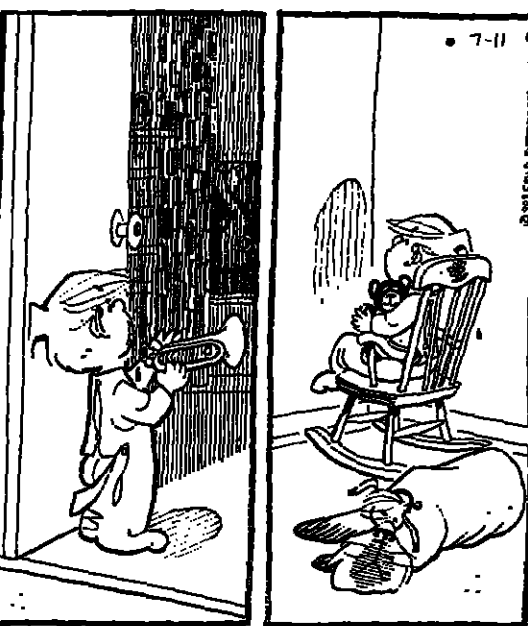
SOUTH (D)
♠ KQJ10
♥ KQJ10
♦ KQJ10
♣ K

North and South were vulnerable.

The bidding:
South West North East
1♥ Pass 4♥ Pass
4NT Pass 5♦ Pass
5♦ Pass 6♦ Pass
6♦ Pass 7♦ Pass
7♦ Pass 7♦ Pass

West led the heart three.

DENNIS THE MENACE



JUMBLE

Unscramble the four jumbles, one letter to each square, to form four ordinary words.

ORRG I
GUNDE
NELPOY
FLUTAR

THEY RESENTED THAT RITZY POOL BECAUSE HE ALWAYS WANTED TO DO THIS.

Print answer here: _____ ON THE _____

Friday's Jumble: DROOP WHILE MUSON TOWARD

Answer: Why the business tycoon rushed off on a much needed vacation—TO SLOW DOWN

WEATHER

EUROPE				ASIA			
	HIGH	LOW	CLD		HIGH	LOW	CLD
Algeria	22	17	27	Bangkok	30	27	26
Amsterdam	22	16	21	Beijing	30	26	27
Berlin	22	16	21	Hong Kong	30	26	27
Bombay	22	16	21	Manila	30	26	27
Buenos Aires	22	16	21	New Delhi	30	26	27
Calcutta	22	16	21	Saigon	30	26	27
Cairo	22	16	21	Shanghai	30	26	27
Cebu	22	16	21	Tokyo	30	26	27
Colon	22	16	21				
Hankow	22	16	21				
Hong Kong	22	16	21				
Kobe	22	16	21				
London	22	16	21				
Lyons	22	16	21				
Manila	22	16	21				
Medan	22	16	21				
Osaka	22	16	21				
Paris	22	16	21				
Perth	22	16	21				
Port of Spain	22	16	21				
San Francisco	22	16	21				
Seoul	22	16	21				
Shanghai	22	16	21				
Singapore	22	16	21				
Sourabaya	22	16	21				
Tientsin	22	16	21				
Yokohama	22	16	21				

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